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# Capitalist Barbarism



... or Socialism  
**There is No Third Way**

Afghanistan • Oil • US Economy • Opposing the War • Consciousness  
Ireland • Railtrack • Monbiot • Islam and the SWP • Miners' Pensions



# *Revolutionary Perspectives*

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# Editorial: Capital Causes War and Recession

As we go to press war is raging in Afghanistan and it has just been announced that the US allies, the Northern Alliance, have captured the key northern town of Mazar-i-Sharif. This town will give the US an air base inside Afghanistan and will be a significant step towards the overthrow of the Taliban. It is clear that the US intends to install a puppet regime cobbled together from the various factions within and outside the country. For the US the key objective is to have a pliable client regime which will not tolerate opposition to the US and will support its interests in the area.

As other texts in this edition make clear, this barbaric attack on Afghanistan heralds a major advance of US imperialism into the regions of the former Soviet Union around the Caspian Sea. The real interests concealed behind the so-called "attack on terrorism" are interests in oil and gas.

The fact that no regime, apart from Iraq, has condemned the US onslaught shows how complete the US domination of the Middle East has become since the end of the cold war. The lack of Arab protest is even more significant in the light of the escalation of the bloodshed in Palestine and continuing atrocities committed by Israel. Arafat himself has professed loyalty to the US and tried to snuff out any popular protest at events in Afghanistan by ordering his security police to shoot Palestinians demonstrating against US bombing. This resulted in the deaths of 3 Palestinians. Meanwhile the US has just approved a further \$2bn in military aid to Israel. All this goes to show there is not, as yet, any serious rival to the US in the domination of this area. However, the differences between Europe and the US over the Israel/Palestine conflict indicate that it is only a matter of time before this dominance is challenged.

## Repression

As we predicted in the IBRP statement on the attacks of September 11<sup>th</sup> published in *Aurora* No 5, these events have led to increased repressive measures in the US, Europe and elsewhere. In both the US and Britain systems of

detention are in operation. Under the repressive measures pushed through the congress by US Attorney General Ashcroft over 1200 suspects have been detained. Their names have not even been released nor have their whereabouts been revealed to lawyers or family, and where they are able to contact lawyers the telephone conversations are all tapped. All these are measures the bourgeoisie will keep in its armoury to use against the working class and its militants in future struggles when its rule is challenged from a class perspective.

## Recession

Meanwhile the world appears to be heading for a serious recession. As the text from our sister organisation *Battaglia Comunista* entitled "US locomotive falters..." shows, this recession was fully developed before the events of September 11<sup>th</sup>, which have acted as a useful alibi to explain it. For the first time since 1973, the 3 major centres of capitalism, the US, Europe and Japan, are all sinking into recession at the same time. This is likely to mean a longer and deeper recession than any since 1973 since there will be no area of growth to stimulate recovery. The authorities on both sides of the Atlantic have been desperately trying to stave off recession by reductions of interest rates to historic lows. The US overnight rate now stands at 2% and the equivalent European one at 3.25%. The US rate is really a negative one since it is below the rate of inflation. The US authorities are at present preparing a package of tax cuts and government spending rumoured to be in the order of \$130bn. This amount comes on top of the \$5bn handout and \$10bn loan guarantees given to the US airlines. These are the discredited Keynesian measures, which were supposed to be buried with the 70s. They have been tried in Japan for the last 10 years. Since 1992 Japan has implemented many such packages in all totalling over \$975bn but without breaking out of its recession. A further dark cloud on the economic horizon is the looming debt problem in Argentina. Despite \$8bn in additional IMF loans Argentina is about to default on its £132bn debt.

The country's plan to swap debt for government bonds is in fact a default on the debt. This could precipitate an international financial crisis, with a run on all South American and developing country debt. All this indicates serious economic problems lie ahead.

As always it is the working class who bear the brunt of the suffering caused by capitalism's recessions. The US economy is now contracting at a rate of 0.4% and that of Europe by 0.1%. As capitalist enterprises collapse workers are thrown out of work. In October alone the US labour department reported that 415 000 workers lost their jobs. In the UK an overall figure is not yet available but the story is similar with 6000 jobs going at Rolls Royce, 3000 at Shorts Aerospace, 12 000 at British Airways, 1200 at Virgin etc. These are only the start.

## The root cause

The ultimate cause of all the issues mentioned above is the capitalist system of production, which on the one hand leads to imperialism and wars and on the other leads to economic crises. Capitalism needs to continually expand and it is unable to expand without periodic crises. These crises are an essential part of the system since they serve to devalue capital and thus increase profit rates. As the system grows, these crises become more catastrophic, ultimately leading to world war which is the final devaluer of capital. The fact that capitalism cannot exist without such crises shows the urgent need to replace it with a system which produces for the needs of mankind — communism. Such a system has nothing in common with the state capitalist systems which existed in the former Soviet Union and which were dishonestly described as communist by both sides in the "Cold War". The change to communism will be the biggest and most difficult transition which human society has ever experienced. However, the unredeemable decadence of the present society, which is illustrated by virtually every text in this edition, shows that this change has never been more urgent.



# Afghanistan — The War on the Working Class Continues

## Bourgeois normality

**T**he attack on the World Trade Center was not a violation, but a confirmation of the usual rules of bourgeois war. The four, or seven thousand,<sup>1</sup> murdered there were mostly working class. This should not, however, surprise us as capitalists always try to kill or damage their enemy's workers in wars. This is what the US is doing in Iraq where half a million Iraqi children have been killed by US imposed sanctions, it is what they did in Vietnam, in Korea, in the fire bombing of Dresden and, of course, at Hiroshima and Nagasaki. You have to go back to before the Franco-Prussian war over a century and a quarter ago to find any bourgeois wars where the proletariat was not a "legitimate target" (but, even then, what today is called "collateral damage" was perfectly acceptable). And the proletariat forced by conscription or economic pressure into the military has always been sacrificed on the altar of bourgeois interest.

Nor does the fact that the September 11<sup>th</sup> attack was a surprise one put it outside the realms of normal bourgeois practice. If it was instigated by Osama bin Laden's *al-Qa'ida*, as the American state alleges, then this organisation declared war on the US, in the most uncompromising terms, years ago. It has *never* been part of bourgeois war to alert the other side of ones tactics in advance. On the other hand, if it was *not al-Qa'ida*, this still does not mean that the September 11<sup>th</sup> events essentially represented a deterioration in the standards of bourgeois conduct of war. The Vietnam War wasn't declared by the US, nor was the war with Serbia over Kosovo, nor indeed has the present war with Afghanistan been declared. It is only in the detail that the attackers were not a state organisation (as far as we know) that normality was compromised. But how does this make the terror of September 11<sup>th</sup> any worse than it was,

or any worse than the terror which is dropping from Afghani skies right now or has fallen from the heavens above Iraqi skies for years?

This is the normal way in which capitalist interests are pursued in a world dominated by capitalist imperialism. And no-one can teach the US anything about backing terrorists. From the Bay of Pigs invasion of Cuba, to the Nicaraguan Contras, to Angola's UNITA, and to the *mujahideen* in Afghanistan, the US is a past master of pursuing its interests through terrorism carried out by its agents. Nor has the US ever bothered about killing civilians either. An example is the notorious 1985 bombing in Beirut. CIA agents exploded an enormous bomb intended to kill the then leader of Hezbollah, Sayeed Nassallah. This failed to kill him and instead killed 85 civilians. As far as imperialism is concerned the attacks on the US were perfectly normal events, fairly typical of what has been going on worldwide for the last 50 years. It was only their scale which was surprising.

Capitalists go to war when their interests demand it, and at the present point of capitalist development, these interests demand war more and more, as capital's underlying crisis unfolds.

Bourgeois normality is war, and terror in war.

## The economic attacks on the class

**B**efore September 11<sup>th</sup>, bourgeois commentators were predicting an economic downturn. The attack on the WTC unleashed a wave of redundancies which could then be justified as a result of an economic disaster which was a direct result of this external attack, and not of the internal contradictions of capitalism. Hundreds of thousands of workers in the US and elsewhere have lost their jobs, not, it is alleged, because of a system which operates to the benefit of a tiny minority, but because of this inexplicable act by a mysterious outside agency. But, if the system

had been healthy before the attack, the need to rebuild after it would have *increased* employment, and not led to redundancies.

## Using the dead

**B**ut the uses of the WTC atrocity are not, by far, restricted to explaining away capitalism's crisis. Within a few hours of the airliners hitting the towers, the US government had decided that bin Laden and his *al-Qa'ida* network was responsible for the Manhattan tragedy. Although it remains more likely than not that part of *al-Qa'ida* was responsible, pointing the finger at that early stage was more an indication of who the US state would have liked to have been the perpetrators of the attack. The US used the assault to change its policy, as it now had the justification for its present attacks on Afghanistan. It wished to mobilise its own public opinion to accept the use of *all* military means in the forthcoming conflict, including the use of its own ground forces, with the concomitant mass casualties, to gather international support from its certain and uncertain allies, and to make it difficult for other states to oppose its intervention.

The US strategy of using the victims of the September atrocity for the furtherance of US foreign policy



*New York attacks changed the political landscape*



appears to be largely successful, most visibly in the diplomatic offensive. The UN has accepted the US resolution on the attacks and NATO has invoked clause five of its Charter, which commits the member states to treating the September attack as an attack on all of them. No state, with the single exception of Iraq, has condemned more than the details of the assault on Afghanistan.

In terms of the actual military commitment to aiding the US intervention, however, no state apart from the UK has agreed to provide more than token numbers of ground troops. Although no power yet wishes to come to an open break with the US, least of all when the US propaganda machine holds all the cards, the reluctance to risk casualties in materially helping the US effort suggests that the other powers are less concerned with helping the US's real war aims than in looking after their own interests.

The apparent exception, as always, is the British State. The UK bourgeoisie hopes to share the spoils of US advances in central Asia. British oil companies are heavily involved in the exploitation of the Caucasian oil reserves and, just like their US counterparts, are itching to get their hands on the reserves to the east of the Caspian, (Turkmenistan) and to the north (Kazakhstan).

The UK plays a strategy of mediating between the US and the European powers. This is a continuation of its mid-Atlantic policy in which it sits on the fence between its older US ally and the rising European bloc where its principal economic interests lie. Blair's role of roving US ambassador is a highly ambiguous one. All the commitments to the alliance are ones of

short-term convenience. Already a serious split between Europe and the US along the fault line of the Israeli/Palestinian conflict is opening, and any US action outside Afghanistan is likely to shatter the alliance.

To keep the coalition together the US is making sordid deals with the strategic states it needs to get the logistic support it needs to wage war. Pakistan, for example, has had the

sanctions that were imposed on it after it exploded its nuclear bomb lifted, and its debts are to be rescheduled, with it being in receipt of another \$1bn of aid. Russia, as a reward for the use of bases in the republics to the north of Afghanistan, is to be given a free hand in Chechnya and US support for the Chechen rebels ended.

### Motivation

As described elsewhere in this issue, the kingpin of the US global strategy is the use and preservation of its domination over world oil supplies. Although Afghanistan appears to be remote from everywhere of strategic interest, this is not in fact a permanent state of affairs. In the future, Afghanistan promises to be as key to the oil economy as it was in the past to the manoeuvres of the late Cold War, when it was the "soft underbelly" of the Russian bloc.

The area around Caspian Sea is the site of the world's largest known untapped reserves of oil. To get the oil from there to the world's great oil consumers, there are two possible routes for a pipeline. One runs west, passing through ex-Soviet republics and ending up either on the Turkish or Greek coast. Even if the US manages to control the route of this line, its final destination means that

will pass for prosperity in a peripheral country in the coming decades will be entirely dependent on this pipeline being constructed, and that is in the gift of the US — and Pakistan, which has a historical record as a friendly country. Thus, the US has an obvious interest in having its puppets in control of a stable Afghan state.

### Old friends and new enemies

In 1979, the CIA launched the largest covert operation of its history<sup>2</sup>. Under this operation, 35 000 volunteers from outside Afghanistan fought for the Afghani *mujahideen*. In 1985, Reagan, who was then President, raised the stakes:

*...[he] stepped-up covert military aid to the mujahideen, and made clear that the secret Afghan war had a new goal: to defeat soviet troops in Afghanistan through covert action and encourage a Soviet withdrawal. The new covert US assistance began with a dramatic increase in arms supplies — a steady rise to 65,000 tons annually by 1987, ... as well as a "ceaseless stream" of CIA and Pentagon specialists who travelled to the secret headquarters of Pakistan's ISI [Inter-Services Intelligence — the Pakistani secret service] on the main road near Rawalpindi, Pakistan. There the*

*CIA specialists met with Pakistani intelligence officers to help plan operations for the Afghan rebels.<sup>3</sup>*

According to Zbigniew Brzezinski, the then National Security of the US, the operation actually began before the "Soviet" invasion of Afghanistan:

*The Afghan Civil War was under way, and America was in it from the start — or even before the start, if Brzezinski himself is to*

*be believed.*

*"We didn't push the Russians to intervene", he told an interviewer in 1998, "but we consciously increased the probability that they would do so. This secret operation was an excellent idea. Its effect was to draw the Russians into the Afghan trap. You want me to regret that?"*



US influence over it would be at risk in the event of a conflict with the powers in the European Union (which is one of the two most likely future rivals for world domination that it possesses — the other being Japan) is to put it out of action. The second route runs through Turkmenistan, Afghanistan and Pakistan. The US has already bought control over Turkmenistan — what



*The long-term effect of the American intervention from cold-warrior Brzezinski's perspective was 10 years later to bring the Soviet Union to its knees. But there were other effects, too.*

*To keep the war going, the CIA, in cahoots with Saudi Arabia and Pakistan's military intelligence agency ISI (...), funneled millions and millions of dollars to the Mujahedeen. It was the remotest and safest form of warfare: the US (and Saudi Arabia) provided funds, and America also a very limited amount of training. They also provided the Stinger missiles that ultimately changed the face of the war.*

*Pakistan's ISI did everything else: training, equipping, motivating, and advising. And they did the job with panache: Pakistan's military ruler at the time, General Zia ul Haq, who himself held strong fundamentalist leanings, threw himself into the task with a passion.<sup>4</sup>*

How many "millions and millions" of dollars?

*The Afghan resistance was backed by the intelligence services of the United States and Saudi Arabia with nearly \$6 billion worth of weapons.<sup>5</sup>*

6000!

Whether or not we believe that Brzezinski can be "credited" with the Russian invasion of Afghanistan, the fact remains that the *Taleban*, and their fundamentalist allies from elsewhere, including bin Laden, were creatures of the CIA. And the *Taleban*, at least, were still being supported by the US as recently as May:

*The Bush administration has not been deterred. Last week it pledged another \$43 million in assistance to Afghanistan, raising total aid this year to \$124 million and making the United States the largest humanitarian donor to the country.*

*Washington Post*, 25th May 2001

The fact that the CIA operation was covert, and the CIA used the ISI as a cover for its activities, makes the denials of bin Laden that he knew he was financed by the CIA credible, if you believe just one more thing: that bin Laden is stupid. Where did he think Pakistan got the money from to

supply thousands of tons of weapons, costing billions of dollars?

The use of the ISI to channel US aid to the *mujahideen* also resulted in the ISI becoming enormously strong, with a personnel estimated at 150 000<sup>6</sup>. This is probably why, fearing a fifth column of *Taleban* sympathisers in the secret service, the Pakistani state has just sacked the head of the ISI.

So, during the cold war, both bin Laden and the *Taleban* were friends of the West, in receipt of Western aid for their activities. They were useful to tie the Russians down in Afghanistan, draining their resources in a war which the Russians could not win so long as their opponents had outside help. The *Taleban* had already developed their ideology, redolent more of mediaeval Christianity than of the more advanced, and tolerant, Islam of the Middle Ages. The sudden discovery that the victory of the *Taleban* in 1994 was the start of a veritable dark age for women is strangely linked with the discovery that *Taleban* rule is no longer compatible with American interests (whereas, while they were in the pay of the CIA, they were, no doubt, avid subscribers to *Spare Rib*). Another discovery, which must have truly startled the CIA, especially as they had encouraged them, was that the *Taleban* were implicated in the heroin trade in a big way.

Before 1979, there was a small-scale trade in opium in Afghanistan and Pakistan, but heroin production was unknown.<sup>(7)</sup> Within two years, more heroin was being produced there than anywhere else, 60% of US heroin was supplied from the "Golden Crescent" and the heroin-addict population in Pakistan grew more rapidly in numbers than in any other country in the world — according to Alfred McCoy, who continues:

*CIA assets again controlled this heroin trade. As the Mujahideen guerrillas seized territory inside Afghanistan, they ordered peasants to plant opium as a revolutionary tax. Across the border in Pakistan, Afghan leaders and local syndicates under the protection of Pakistan Intelligence operated hundreds of heroin laboratories. During this decade of wide-open drug-dealing, the US Drug Enforcement*

*Agency in Islamabad failed to instigate major seizures or arrests...*

*US officials had refused to investigate charges of heroin dealing by its Afghan allies "because US narcotics policy in Afghanistan has been subordinated to the war against Soviet influence there". In 1995, the former CIA director of the Afghan operation, Charles Cogan, admitted the CIA had indeed sacrificed the drug war to fight the Cold War. "Our main mission was to do as much damage as possible to the Soviets. We didn't really have the resources or the time to devote to an investigation of the drug trade... I don't think we need to apologize for this. Every situation has its fallout... There was fallout in terms of drugs, yes. But the main objective was accomplished. The Soviets left Afghanistan."<sup>8</sup>*

Needless to say, the discovery that the *Taleban* were reformed pushers (they've actually outlawed the heroin trade now) was quietly dropped when someone pointed out that America's new friends in the country, the Northern Alliance, were much more tied to drug money.

Bin Laden too, was forged in the Afghan national struggle against the Russians. As well as being a dollar millionaire many times over (this wealth being drawn from the exploitation of workers in the Saudi construction boom financed by oil revenue), he was part of a *mujahideen* group which was funded by the CIA to the tune of \$10mn.

It is alleged that bin Laden turned against the US when they stationed troops on Saudi soil during the Iraqi invasion of Kuwait. This is unlikely, as he had previously treated the presence of US soldiers on sacred soil as a business opportunity for the family construction firm. Whatever the reason for his falling out with his former customers, bin Laden, and Islamic fundamentalists like him, represent a petit bourgeois reaction to the domination of the Islamic world by the present imperialist powers, and, by extension, the whole of modern conditions of production. Their entirely utopian (or rather, dystopian) solution is not the overthrow of capitalism, but the management of it within a theocracy, and either the end of the influence of the non-Islamic powers over the Islamic ones, or, better, the abolition of non-Islamic



powers (which, in practice, would mean the imperialist domination by the present Islamic countries over the world). This is a retreat to a world that never was, and can never be. This side of a proletarian revolution, or a truly disastrous world war between the present metropolitan countries, these countries (essentially, the US, Western Europe and Japan) will continue to dominate the world, because of the immense concentration of capital in their hands. The best the rest of the world can hope for is to exploit divisions amongst these powers to their own benefit. *Al-Qa'ida* cannot achieve its thoroughly reactionary aims, and will be destroyed, neutralised, or will survive to once again be used by a power as a proxy.

Although bin Laden turned against the US, it is clear that the US turned against the *Taleban*, and not primarily because they were sheltering bin Laden, but because they had quite clearly failed to establish the kind of state which would secure American control over any pipeline. Perhaps, under different circumstances, they would have been given more time, but they had been unable to defeat the Northern Alliance with the same ease as they had defeated the giant stone Buddhas of Bamiyan, and the WTC atrocity provides too good an opportunity for the US to justify the "pacification" of the country. At present, the US seems to be unsure as to the details of its war aims in Afghanistan. Sometimes it talks of using the Northern Alliance as the basis for a new government, and at others it talks of a coalition, with "moderate" (i.e., US-friendly) *Taleban* represented. The return of the monarchy abolished in 1973 is also being floated. Whatever the details, one thing is sure: every last inch of mileage will be squeezed from the WTC massacre to ensure that when the US decides exactly what it wants, it will get what it wants.

### Pacifism, or class war?

All kinds of political currents reject the coalition's war on Afghanistan, but the form this rejection has taken has mainly been a pacifist one. All sorts of exciting stunts have been proposed: emailing the warmongering politicians, telling them that war is a bad thing, or holding candles to tell God that war is a bad thing. Well, the

politicians are acting as faithful servants of the capitalist system, and God is obviously so pissed off with those who question his omniscience that he punishes them with... wars.

Organisations with the word "socialism" in their title are also pushing the pacifist message, without mentioning the "S-word". Although these are the kind of organisations which in the past associated socialism with support for an "anti-imperialism" represented by forces which objectively stood for a different order of imperialism, the fact that they now feel that socialism is unmentionable is a reflection of the present weakness of the working class.

For us, the war is an attack on the working class, which must be opposed, and such wars are inevitable consequences of imperialist capitalism. The working class has no interest in supporting either side in this war. It is a war of US imperialism against an aspiring Islamic imperialism. Both sides are completely reactionary and the working class can only respond to this war with revolutionary defeatism. The working class should attack the bourgeoisie's ability to wage war through class struggle and raise the slogan of fraternisation between workers in uniform on either side. Class struggle is the way to answer this war, and a fully developed class struggle is the way to end the system, which generates war. The destruction of capitalist society and its replacement with communism is the only realistic war to end the wars which capitalism necessarily generates. At present such a strategy can only be one of orientation since for almost two decades the working class has been in retreat and unable to offer any alternative to the daily barbarism of life under capitalism.

The working class has been in retreat for too long. But the *only* way to disarm the warmongering capitalist class is to paralyse its economic apparatus, and to drive it from power, and the proletariat is the *only* force that can do this. The path to achieving this may be difficult, but the power of the working class cannot be doubted. It alone has the ability to transform society, looking forward to a world without countries, frontiers, wars and exploitation, not back, like the fundamentalists, to a hell where ignorance is prized and

God's elect are in charge, interpreting "His" (i.e., their) will and taking their cut from the exploitation of their flock.

The first step along the route to working-class power is for the class to become aware of its strength. This is a material as well as a theoretical process. The class learns its strength by using it, to defend itself from attacks on its conditions, whether these spring from the economic crisis or from the war. Sooner or later, the class must recognise that it is an international class, and that implies that military action targeting any part of it is an attack on as a whole, and, in turn, that political action be taken against war (if the class does not recognise this before this war is over, then a capitalist future has many more in store for us). The working class has its own "clause five", based, not like NATO's on the contingencies of the international situation, but on a permanent common material interest.

**EDL**

### Notes

- 1 The estimates have recently changed from the higher to the lower figure, but the truth is that no-one can be sure how many died, because the destruction was so thorough that most bodies were reduced to dust, and many of those killed will have been illegal immigrants whose exploitation is not regulated.
- 2 According to Fred Halliday, *The Un-great Game: the Country that Lost the Cold War, Afghanistan*, *New Republic*, 25<sup>th</sup> March 1996 (quoted on the globalresearch.ca website)
- 3 Steve Coll, *Washington Post*, 19<sup>th</sup> July 1992 (again, quoted on www.globalresearch.ca)
- 4 *The Independent*, 17<sup>th</sup> September 2001 (quoted on www.emperors-clothes.com)
- 5 *New York Times*, 24<sup>th</sup> August 1998 (again, quoted on www.emperors-clothes.com)
- 6 Dipankar Banerjee, Possible Connection of ISI with Drug Industry, *India Abroad*, 2<sup>nd</sup> December 1994 (quoted on www.globalresearch.ca)
- 7 According to the review of *Out of Afghanistan: The Inside Story of the Soviet Withdrawal* (Cordovez and Harrison, OUP) in *International Press Services*, 22<sup>nd</sup> August 1995 (cited on www.globalresearch.ca)
- 8 Alfred McCoy, Drug Fallout: the CIA's Forty Year Complicity in the Narcotics Trade, *The Progressive*, 1<sup>st</sup> August 1997 (quoted on www.globalresearch.ca)



# Imperialism, Oil and US National Interests

As B52 bombers blast Afghanistan the US is once again spelling out to the whole world there is no limit to the reprisals it will take when it perceives a threat to its national interests. No matter that there hardly exists a scrap of infrastructure to target in this impoverished, backward land already devastated by decades of inter-imperialist warfare. No matter that during the Cold War the *Taleban* — amongst many other Islamic guerrilla groups — were supported by the US in the proxy war against Russia it fought in Afghanistan. No matter that the US has yet to produce evidence “that would hold up in a court of law” (to quote one Tony Blair) identifying Osama bin Laden with the World Trade Center atrocity. There has been no resort to the usual punishments meted out by the US: no economic sanctions imposed against the regime which harbours the *al-Qa'ida* terrorists; no pretence to get the UN to engage in a ‘diplomatic’ solution, just an all-out military response to oust the *Taleban* in the name of a world anti-terrorist coalition (i.e. the richest states in the world) that does not even profess to be seeking the establishment of ‘democracy’ in Afghanistan. This massive military response on the part of the US suggests there is

something more at stake than avenging the deaths of its citizens on September 11th. Media attention is turning to the strategic importance of Afghanistan for the US and the west in general — a significance that is based on oil, or more precisely the routing of oil and gas pipelines from the rich energy deposits of central Asia and the Caspian basin opened up to Western capital a decade ago with the collapse of the Soviet Union. The situation in Afghanistan is being likened to the ‘Great Game’ of the

19th century when Britain vied with Russia for control of the region. When it comes to looking at the present conflict even the mainstream press is finding it difficult not to mention the word ‘imperialism’. Here for instance is John Pilger, darling of the liberal left:

*When the Taleban took Kabul in 1996, Washington said nothing. Why? Because Taleban leaders were soon on their way to Houston, Texas, to be entertained by*



Market indicators: National Guardsmen patrol a checkpoint in Manhattan's financial district



executives of the oil company, Unocal.

With secret US government approval, the company offered them a generous cut of the profits of the oil and gas pumped through a pipeline that the Americans wanted to build from Soviet central Asia through Afghanistan.

A US diplomat said: "The Taleban will probably develop like the Saudis did." He explained that Afghanistan would become an American oil colony, there would be huge profits for the West, no democracy and the legal persecution of women. "We can live with that," he said.

Although the deal fell through, it remains an urgent priority of the administration of George W. Bush, which is steeped in the oil industry. Bush's concealed agenda is to exploit the oil and gas reserves in the Caspian basin, the greatest source of untapped fossil fuel on earth and enough, according to one estimate, to meet America's voracious energy needs for a generation. Only if the pipeline runs through Afghanistan can the Americans hope to control it.

So, not surprisingly, US Secretary of State Colin Powell is now referring to "moderate" Taleban, who will join an American-sponsored "loose federation" to run Afghanistan. The "war on terrorism" is a cover for this: a means of achieving American strategic aims that lie behind the flag-waving facade of great power. The Royal Marines, who will do the real dirty work, will be little more than mercenaries for

Washington's imperial ambitions, not to mention the extraordinary pretensions of Blair himself. ...

In the days of gunboats, our imperial leaders covered their violence in the "morality" of their actions. Blair is no different. ...

There is no war on terrorism. If there was, the Royal Marines and the SAS would be storming the beaches of Florida, where more CIA-funded terrorists,

ex-Latin American dictators and torturers, are given refuge than anywhere on earth.

There is, however, a continuing war of the powerful against the powerless, with new excuses, new hidden agendas, new lies.

Hidden Agenda Behind War On Terror, *Daily Mirror*, 29.10.01)

Pilger must be given credit for cutting through the official bullshit about the war on terrorism. However, to fully understand the imperialist imperative here we have to go beyond seeing capitalism in terms of being run by bad guys (Bush and his oil cronies, Blair and his kow-towing hypocrisy) who work hand in glove with powerful multinational companies to wage war against the 'powerless'. Pilger's overview is the moral outrage of the humanitarian liberal. If only our rulers, especially in the US, were better people, then the richest states on earth would follow more humane policies, curb the power of the multinationals, abolish Third World debt and allow a 'just' division of the world's wealth. Then there would be no more Afghanistans, Balkan wars, East Timor massacres, ... no more dirty wars, no more poverty... if only abolishing imperialism was a matter of changing capitalist policies. If only capitalism could escape its own essence, but it cannot: capitalism means imperialism and no capitalist state can escape the imperialist framework.

There can be no 'good' rulers because taking on the job of managing any state in the world today means participating in a cut-throat global struggle for division of

the wealth accruing from the exploitation of working class labour power. As Lenin, Bukharin and Luxemburg all noted early in the last century, it is a struggle which combines military, economic and political strategies and which unites industrial and banking (financial) capital. Gun boat diplomacy and colonisation were the hallmarks of the early stages of capitalist imperialism but Lenin pointed to the underlying search for a higher rate of profit abroad by monopoly capitalism in the advanced states which meant that imperialism was not a policy that could be reversed (like colonisation) but a stage of capitalism's historical development. Today, long after the decolonisation of the Fifties and Sixties and during a period when the richest state in the world is now a net importer of capital, the imperialist imperative holds more than ever. Now, though, the search for a higher rate of profit not only includes the struggle for cheaper labour power, raw materials and control of markets but also for the lucrative financial rake-offs from international money markets and commodity speculation.

### Oil and its Value to the USA

Oil not only remains the prime fuel for capitalism today, it is a fundamental part of commodity production from plastics to fertiliser and washing up liquid. As such, it is not only the extraction of oil which is of strategic importance but controlling how and where the petroleum flows from the oil wells — the pipelines and refineries. The United States, whose currency is also the currency of the international oil

### Previous IBRP articles on Imperialism and Oil

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trade, also has a vested interest in maintaining the price of oil (in order to keep up the international exchange rate of the dollar) as well as increasing the financial profits from trade in futures, derivatives and the myriad other aspects of trade in the commodity oil. For thirty years capitalism has been trying to find a way out of its global crisis of profitability, a crisis whose enormity was evident when the US broke the post-war Bretton Woods settlement for the world economy by removing the dollar's fixed exchange with gold. The US currency was at once devalued but at the same time the burden of the crisis was pushed onto its rivals who had to pay a higher price on the world market for oil, especially when the OPEC states upped the oil price (1973). But the benefit to the US from the so-called 'oil shock' went far beyond paying a relatively low price for oil. The US also became the prime destination of investment for the surplus petrodollars amassed by the oil producing states, especially Saudi Arabia and the emirates of the Gulf. At the same time the floating international exchange rates that were a consequence of the de-linking of the dollar from gold opened up a new era of financial speculation, the profits from which have benefited the United States enormously, again as a result of the dollar's position as the predominant currency of international trade.

As our sister organisation in Italy, *Battaglia Comunista*, explains in the latest issue of their paper:

*All the great political, economic and monetary changes since the beginning of the Eighties and which go under the imprecise and generic term 'globalisation' can be reduced to this. In particular it is the outcome of exponential growth in the financial sector which allows for the parasitic appropriation of surplus value in*

*compensation for an increasingly low rate of industrial profit, above all in the technologically advanced countries.*

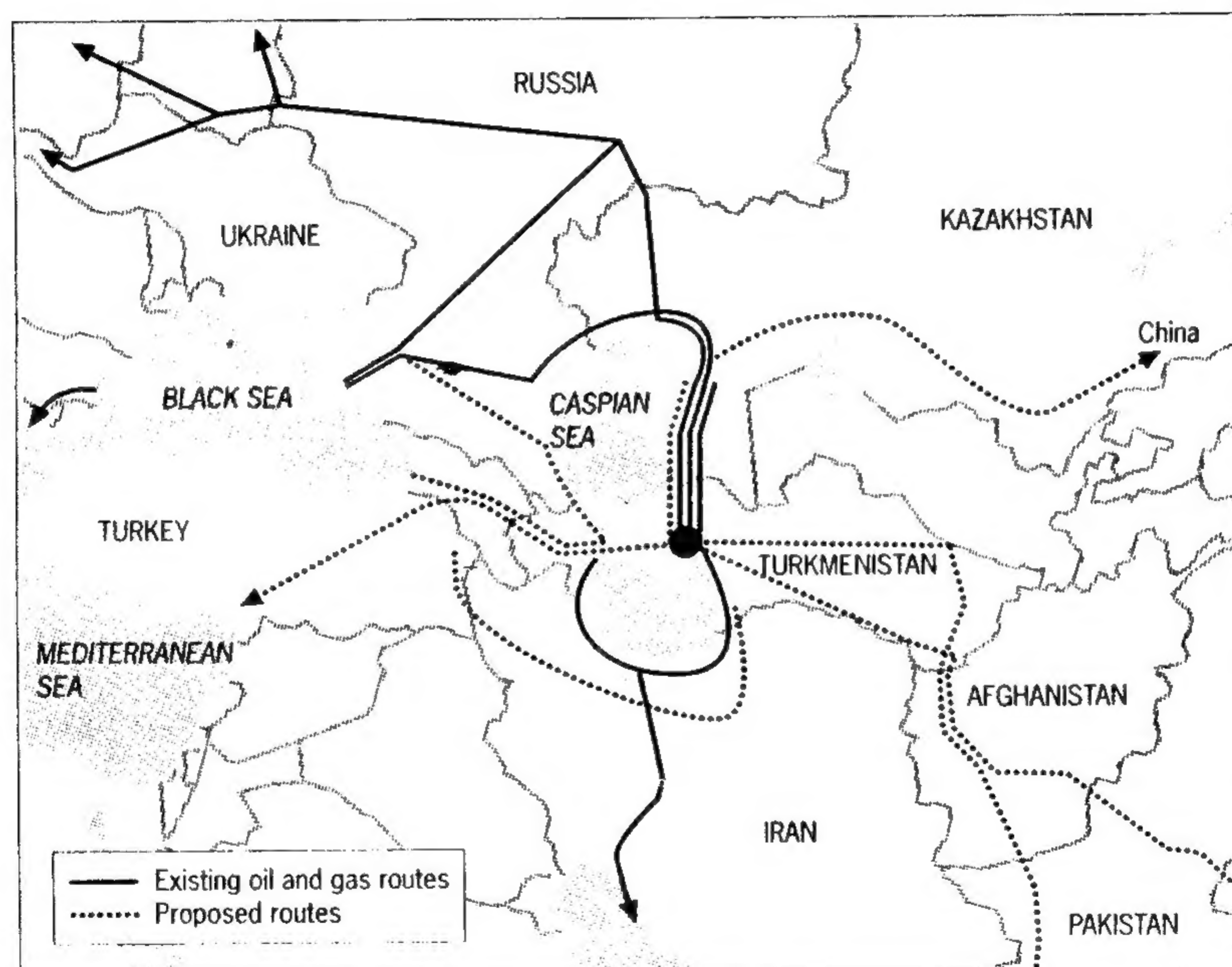
*When it became obvious that it no longer had uncontested primacy on the industrial front the United States began a gigantic restructuring process relying on both its powerful military machine and the fact that the dollar was, and still is, the most widespread means of international payment. Thus, on the one hand the unification of international financial markets was accelerated and on the other US control of oil production and the oil market itself was reinforced. Thus, despite the fact that the USA has gone from being the major exporter of goods and capital to become a net importer, it has achieved a widening of the sphere of circulation of the dollar. Today not a drop of oil is transformed into one of the innumerable products of the refining process without the mediation of the United States currency. It is the big finance capitalists, above all the American bourgeoisie, who gain from the transactions. According to economists' calculations it works out at a financial return of more than \$500bn per year.*

Thus the US oil interest, which is certainly at the heart of its war on Afghanistan, is even more than a question of meeting "America's voracious energy needs" or a White House administration linked to oil

and bent on defending American oil companies. There is no denying the intertwining of the US political administration with oil company executives — this is the nature of United States capitalism. Nor is there any doubt that the US — which accounts for more than 10% of the world's daily oil consumption, about 50% of it now imported — wants to ensure that its own domestic requirements will be supplied. Beyond this, though, the US needs the dollar to remain the currency of international trade if it is to retain its position as the world super-power. Above all then, the US is desperate to ensure that the global oil trade continues to be conducted primarily in dollars. That means having the determining say in the routing of oil and gas pipelines over and above US commercial involvement in its extraction at source. This is when straightforward commercial decisions are tempered by the over-arching interests of US capitalism as a whole, when the American state becomes politically and military involved for the sake of wider strategic objectives, objectives which often come up against the interests of other states and, increasingly, against those of its European 'allies'. **In other words, this is the heart of imperialist competition in the 21st century.**

### Caspian Oil and US Strategic Interests

Ever since the Russian bloc collapsed, the rich oil and gas deposits in the ex-Soviet republics of the Caspian basin have been the focus of intense competition amongst Western oil companies. Estimated oil reserves for the region vary widely, from a proven 30 billion barrels (about as much as the North Sea) to an optimistic 200 billion. (Apparently industry analysts tend to go for a middle figure of around 90 billion barrels,





similar to China or Mexico.) At least 80 joint ventures in gas and oil exist. They include 30 US companies.

The largest oil deposits are in Kazakhstan and Azerbaijan, with the Tengiz field in Kazakhstan being the largest discovered since the Seventies. Since the completion of the CPC [Caspian Pipeline Consortium] pipeline in October, oil from Tengiz and elsewhere in Kazakhstan is being pumped over 1,000 miles through Russia to the Black Sea port of Novorossiysk. Typical of the major projects in the region, the CPC is a consortium of ten or more international companies, amongst them Chevron and Mobil of the US, Rosneft of Russia and other Kazakh, European and Omani firms. The initial phase alone has cost \$2.6bn and, as the President of Chevron Overseas explained,

*The US government has been a consistent supporter of CPC and, of course, nearly 50% of the cost of the project is being funded by American companies.*

Peter Robertson, quoted in *Petroleum Intelligence Weekly*, 26.3.01

There is nothing concealed about the US agenda to "exploit the oil and gas reserves in the Caspian basin" here. (Incidentally an agenda which is not limited to the current oil-steeped US administration but which has been pursued by Washington ever since the disintegration of the old Russian bloc.) In fact Chevron began its investment in Tengiz oil in 1990, before the collapse of the USSR and when Russia therefore controlled the only pipeline outlet for Kazakh (and every other source of Caspian) oil. The new CPC pipeline, although a compromise for both the US (whose companies have provided the bulk of the finance though the pipeline goes over Russian territory) and Russia (which does, however, now have a stake in the proceeds) is part of a wider US strategy in the region – to break Russia's monopoly on oil (and gas) routes. The US administration has never made any secret of this strategy, which we have written about several times in previous issues of *Revolutionary Perspectives*, although it does put a 'philanthropic' spin on it.

For instance, in a speech on the importance of Caspian oil and gas reserves for US national security in

November 1997, US Energy Secretary Federico Pena, explained that US strategy is for multiple pipelines "to ensure that no country has to depend on any one region of the world for supplies of these vital resources". He went on to clarify what this meant from a US perspective:

*Development of the Caspian region is vital to assuring global energy security. And diversifying the world energy supply is in the national security interest of the United States.*

Speech to international oil company executives, Washington 19.11.97

What's good for America is good for the world. Certainly Washington is determined to impose limits to the multi-pipeline strategy, limits established by the state of its political relations with key states along any proposed pipeline route and how far it sees a threat to its own control of oil supplies. As we have seen, part one of US strategy has been to undermine Russian monopoly of energy routes. This has not always been achieved by strict commercial means. Behind the wars and separatist conflicts in Chechnya, Daghestan, (both stirred up by Saudi-linked Islamicists) Abkhazia and South Ossetia (both part of Georgia, a preferred US oil route where it is therefore in Russia's interest to destabilise by promoting separatist groups) lie the imperialist machinations of the US and Russia, vying with each other over oil routes.

Part two of US strategy is the so-called 'dual containment' of Iraq and Iran. Apart from its long-standing sanctions against Iran, in 1996 the US imposed a complete ban on US investment in both Libya and Iran and — in an attempt to curb European capital — a \$20 million ceiling on investments from companies outside the US. Inside the US the Sanctions Act has been the object of furious lobbying by oil companies, notably Conoco and Mobil (which launched an advertising campaign in the press for US companies to be allowed to invest on the same terms as foreign rivals) who are losing out as a 'more moderate' Iran opens up its 'investment opportunities'. The future of relations between Iran and the US will depend on how Iran shapes up in the US 'war against terrorism'. For the moment, however,

the US political administration is reiterating its support for the construction of a long-debated but financially prohibitive pipeline from Baku, the strategically placed Azerbaijani port and oil terminal on the western Caspian, through Georgia to the Turkish port of Ceyhan. The idea is that this cuts out Russia and Iran and anchors Turkey as a NATO (US) ally. Despite the estimated cost of \$3 billion to \$3.7 billion which cannot be covered unless a lot more oil is transported from across the Caspian than seems likely, the US claims to be pressing ahead with the project in the wake of September 11th.

It is highly doubtful that the Baku-Ceyhan pipeline will ever happen but it is in the context of US policy of sidelining Russia and excluding Iran as energy transport corridors that Afghanistan took on a particular strategic importance for the US. As a United States Energy Information document *Caspian Sea Oil and Natural Gas Export Routes* of June 2000 put it, when considering an oil route to Pakistan via Afghanistan:

*This eastward route, along with one to China, is one of the few alternatives to the Iranian route for exporting Central Asian oil to Asian markets.*

Afghanistan has little oil itself apart from a 46 year old field in the northern zone outside of Taleban control. The payoff for the Taleban, which the US originally saw as a stabilising force in Afghanistan, would have been the revenue from the pipelines which, though lucrative, hardly supports the picture of their developing like the Saudis. Four years ago, in an article, *Behind the Taleban Stands US Imperialism*, we explained the material reason behind the US accommodation with the Taleban and outlined the role of Unocal and Delta Oil (US and Saudi companies respectively) in a project to transport gas from Turkmenistan via Afghanistan to the Arabian Sea coast of Pakistan. The same consortium, Centgas (Central Asia Gas), was also competing with the Argentine firm, Bridas and another US multinational, GDC (Global Data Communication) for a similar oil pipeline from Turkmenistan. The combined cost of both was estimated at \$4.5 billion. On February 12th 1998, in a not-so-secret presentation to the 'House Committee on International



Relations Subcommittee on Asia and the Pacific' Unocal's Vice President pointed out the political interest from Asian countries, particularly Japan in obtaining Central Asian and Caspian oil by such a route and the possibility of "more favourable netbacks to oil producers through access to higher value markets than those currently being accessed through the traditional Baltic and Black Sea routes". He also tried to reassure the committee that "only about 440 miles of the pipeline would be in Afghanistan" and that:

*The pipeline would benefit Afghanistan, which would receive revenues from transport tariffs, and would promote stability and encourage trade and economic development. Although Unocal has not negotiated with any one group, and does not favour any group, we have had contacts with and briefings for all of them. We know that the different factions in Afghanistan understand the importance of the pipeline project for their country, and have expressed their support for it.*

Six months later, on 7th August, US embassies in Nairobi and Dar es Salaam were attacked. On 21st August Unocal announced the suspension of all work on the Afghanistan gas pipeline. On the same day US reprisals were carried out against the terrorist 'strongholds' in Sudan and Afghanistan. In December Unocal, along with Russia's Gazprom, withdrew from the Centgas consortium. The rest is history. In April 1999 Pakistani, Turkmen and Afghan government spokesmen announced their intention to revive the Centgas project without US involvement and thus without secure finance. (The Pakistani oil minister is quoted as saying that the consortium may have to seek out unconventional sources of financing.) One thing is sure, there will be no revival of anything like the Centgas project for the foreseeable future and certainly not without the US.

Yet the imperialist struggle for control of Central Asian oil and gas goes on. Largely unnoticed in the aftermath of September 11<sup>th</sup>, the US challenge to the EU — under the guise of NATO joint intervention — in the Balkans continues. One of the unspoken aims behind the US enthusiasm for diversification of energy routes is to

prevent the EU from establishing its own routes for imports from the Caucasus and Caspian. Behind this the US has a greater fear — that a euro-petro market will develop that could eventually enable the euro to challenge the dollar as a currency of international trade. This article is not the place to go into the details of EU plans and financing for various transport corridors in South-Eastern Europe, except to note that it is no exaggeration that one of the EU's express aims is revealed by:

*the Eurocorridors will be natural routes along which oil and gas pipelines will be built to carry oil and gas from the Caspian Sea and Central Asia, an essential component of any technology policy.*

EU Committee on Science and Technology Report, *Technological strategies for the reconstruction and economic development of south-eastern Europe*. December 2000.

Already the EU is ignoring the US Baku-Ceyhan option to bring oil to Europe via Turkey in favour of a scheme to ferry oil across the Black Sea from the Georgian port of Supsa to the Bulgarian port of Burgas (which the EU is renewing) and from there into Greece (Alexandroupolis). Not surprisingly the US has other ideas and a major trans-Balkan pipeline is being built by a US dominated conglomerate, AMBO — Albanian-Macedonia-Bulgarian Oil Corporation. Scheduled to come into operation by 2005, it too is designed to carry oil from Burgas (Bulgaria) but across Macedonia to the Albanian port of Vlore on the Adriatic. This US route passes along what is known as corridor 8 — along the borders of Macedonia and Kosovo and the Presevo valley, scene of recent fighting and NATO 'peacekeeping' operations.

And so the new great game continues but now in the much more dangerous context of the failure of America's 'new economy' and a sharpening of the economic crisis at the same time as

*the euro is emerging from its long period of gestation. The single European currency is set to eliminate the dollar, at least for exchange inside the EU where its use will be kept to a minimum. But even before the new currency is in circulation it has gone beyond the*

*confines of Europe to be stored in strongholds amongst other reserve currencies and many oil-producing countries are warming to the idea of quoting the value of their black gold in terms of the euro.*

*For some time now European oil companies, Eni of Italy amongst them, have been engaged in numerous projects to get oil from the Caspian and Caucasus directly to refineries in Europe and it is obvious that from January 1st the project for an alternative oil market could begin to take shape but the United States, faced with perhaps the most vicious crisis it has experienced this side of World War Two, is not going to let go of its own economic and financial power.*

*Occupying the centres of oil production and the oil routes as a preventive measure has thus become a question of vital importance. Beyond this is the need for further preventive measures by occupying strategic areas as the conflict intensifies. ... For this reason the present war is destined to be protracted in time and to extend well beyond the boundaries of the hapless Afghanistan. ...*

*If Bin Laden did not exist the US would probably have had to invent him.*

paraphrased from Battaglia  
Comunista October 2001

... but then in a real sense, they did!

**E. Rayner**



*We are publishing below an article from Battaglia Comunista published on September 8<sup>th</sup> 2001 which clearly shows the real state of the US economy before the attacks of September 11<sup>th</sup>. Despite the constant propaganda telling us that terrorists were to blame for the current economic crisis it is clear that capitalism itself is responsible for the misery a failing economic system brings. There is no doubt that many ailing industries used the September 11<sup>th</sup> attacks to push through redundancies that might otherwise have been resisted by workers. Once again the bourgeoisie is using a tragedy to disarm workers and push through measures which mean deepening hardship for our class.*

*Since the article was written we have seen ten cuts in interest rates in the US, leaving the base rate now at 2% which is less than the rate of inflation – something seen many times in the struggling Japanese economy in the last decade. The interest rates in the US are now the lowest since Eisenhower was president. Naturally the EU has followed and interest rates have been cut to 3.25% in response to the slowdown in the European economy. Germany, which accounts for one third of all economic activity in the EU has experienced zero growth in the last quarter and the UK has just cut interest rates to 4%, the lowest since 1955.*

## The American Recession

### US Locomotive Falters and Drags the World Economy into Crisis

**A**t the end of the millennium the performances of technology shares led to an astronomical rise in share prices on the world's most important stock exchanges. The most fanatical supporters of the New Economy were convinced that capitalism was no longer subject to economic cycles. For the overwhelming majority of bourgeois economists capitalism could develop without interruption thanks to the extraordinary increase in productivity and the creation of wealth through financial activities whilst at the same time guaranteeing a better life for all. So the New Economy and globalisation meant no more crisis or economic recessions but development and well-being, even for hitherto undeveloped countries. As we know reality was not slow to give the lie to the false bourgeois theories about economic cycles being at an end, and the beginning of last year saw the world's financial centres trembling under the pressure of heavy losses. The miracle of the New Economy and uninterrupted growth was temporary, only lasting long enough for the contradictions of the capitalist mode of production to be reproduced on a global scale.

For almost a year falling share price indices were considered a healthy consequence of the excessive growth of the previous period. For bourgeois economists the fall of the Nasdaq, the US index of technology shares, and on the other international stock exchanges was due, not to the crisis in the real economy, but simply a physiological correction of the

dizzy growth of the previous period. The continuing international financial crisis, whose epicentre can once again be traced back to the USA, has demonstrated how the fall of the stock markets can no longer be considered a transitory phenomenon or a healthy correction for the world economy, but is rather the sign of an economic crisis of vast proportions.

To avoid the deceleration of the American locomotive turning into a serious economic recession, Greenspan, Chairman of the Federal reserve has lowered interest rates at least seven times in the course of 2001 in order to give oxygen to the choking US economy. In only eight months the US discount rate has gone from 6.5% to 3.5%, which almost exactly matches the rate of inflation.

Despite the steep fall in interest rates, which in the past would have led to a recovery of share prices and an investment revival, the US economy is heading for the most serious recession of the post WW2 period. The latest economic data confirms the decline: the last quarter saw GDP grow by only 0.2%, whilst industrial production fell for the second quarter running by 0.1%, after having fallen by 0.9% during the previous quarter. As for domestic consumption, which until now has prolonged the growth phase of the US economy, this is starting to show the first clear signs of crisis. After more than a decade of uninterrupted growth, US consumption has shown no significant growth over the last quarter. For an economy highly oriented towards consumption, this means the beginning of recession. If,

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up until last year, stock market growth fuelled US consumer spending, now the fall in share prices means that millions of small savers can no longer feed internal demand but face a mountain of practically irrecoverable debt. When the stock market was on the up a considerable segment of US society – given low interest and inflation rates – preferred to take on debt in order to invest capital in financial activities; within a few months stock market earnings not only covered the debt they had taken on but also an increase in domestic consumption. If we also note that the dollar had appreciated against other international currencies, we can imagine the effects of this financial lever upon the entire American economy. The bursting of the speculative bubble has left a mountain of debt on

the entire American system. (See the article in the latest issue of *Prometeo*.) Mortgage lending and loans contracted via credit cards alone represent almost 15% of available income, a level of debt which has not been seen in 20 years. The gravity of the situation is such that President Bush has approved a plan to reduce taxes by \$38 billion in an attempt to revive consumption, but due to the mountain of debt contracted by American families, it will be difficult to translate tax cuts into higher consumption. They will only serve to pay off debt.

If the US debt situation has not provoked a recession of larger proportions that is because of the strength of the real estate market. Whilst the Japanese experience saw the collapse of the Nikkei index along with the collapse of the real estate market, plunging Japan into a crisis which she has been unable to get out of in over a decade, the American real estate market has so far allowed the preservation of America's patrimony and thereby guarantee debts. But it is evident that if the financial crisis of the stock exchange and decreased consumption were to continue over the months to come, then the real estate market would also be shaken by a very deep devaluation with the consequence of a sharpening of the effects of the recession.

The economic crisis is beginning to make its effects felt on the weakest social stratum. Job insecurity, mounting unemployment, social marginalisation and continual cuts in what remains of welfare, are the consequences of a thirty year long crisis and this recession threatens to worsen the conditions of millions of proletarians. The state of American health faithfully reflects a reality where the proletariat bears the attacks of the bourgeoisie on a daily basis, attacks which become ever more grim as the economic crisis intensifies. Today, in the state of California, the richest of America's states, by itself the sixth largest

world power, 40 thousand people dependent on welfare and public pensions that have moved from the city of San Francisco into small provincial areas have received a letter of reference for their own maintenance. Their move to the provinces has enormously increased the cost of their health service, as a result of which welfare can no longer guarantee the covering of these costs. For those proletarians, two perspectives present themselves, either they can pay for individual insurance (the average cost for a family of four is almost £350,000) or, and this is the more plausible prospect, they give up health care and hope not to need medical care. Because it has become impossible to live in a large city with a public pension, hundreds of thousands of American citizens have been literally forced into small provincial areas, where the cost of living is on the whole lower, but all this means they can no longer have collective health benefits. The world's most developed capitalism can no longer guarantee the health of the proletariat, and with the aggravation of the economic crisis hundreds of thousands of north Americans will, in the coming months, swell the ranks of the army of 50 million paupers who live on the margins of society.

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# SWP, Trotskyism and Allah —

## A Study in Leftism

### October 13<sup>th</sup> — nightmare or farce

In dreams certain elements are often implicitly understood despite the rest of the picture not matching that imagined reality. For example, the centre of London may be hot and sticky but part of the mind is insistent that the action is taking place in mid-October. Through the streets young men and veiled women proclaim the greatness of God, "Allah Akbar". They assemble to applaud fellow religious demagogues proclaiming religious and nationalist tripe in Arabic to the applause of British liberals and pacifists who have not understood a word. The nightmare is completed when suddenly the sleeper is aware that those appealing to almighty God are carrying the placards of the Socialist Workers Party.

The very worst nightmares are those where the dreamer hovers between the conscious and the unconscious, the rational thought processes combatting the surreal images. Yes, London could experience a freakishly hot Saturday afternoon in October. And yes, of course, God fearers and Trotskyists, in **reality** can share slogans and placards and applaud the same speakers. In the **real** London on the **real** October 13<sup>th</sup> that was the reality of the liberal-pacifist anti-war coalition.

### Pantomime season starts early

If the broadcast images of September 11<sup>th</sup> showed an appalling historic tragedy then the leftists in Britain took only 32 days to engineer the follow up as farce.

At this stage we must offer our apologies to the other sponsors of this autumnal pantomime. Yes poor old CND and every shade of liberal and pacifist were there all seeking peace and justice by appealing to their chums to make capitalism "be nicer" (C'mon boys and girls all shout louder or Mr Blair won't hear you!!). The fellow Trots and hangers on from the Socialist Alliance trailed behind, some sulking, some smiling, while their bullying elder sibling in

the SWP kept pushing to the front grabbing all the grown-ups' attention and acting as keen little helpers to all the big, important people. Oh, and what important people there were. What applause for the member of the Labour NEC (Not the party in government, adding this to its long list of crimes against the working class, dating back to the First World War — Oh, No it isn't — **Oh, yes it is!!**). All the audience stood up and clapped very loudly because there was a man from the Fire Brigades Union — he told us how his Trade Union (when not doing deals with the rest of the British state) were desperately keen to have a nice new ruling class state in Palestine. Some lucky kiddies had even got nice little Palestinian national flags to wave. .... And there was singing, and there was food, and it went on for ages and ages and ages and we'd all been fed so much rubbish from the big people up on the platform that some of us felt really, really sick by the end.

Yes, all the clowns played their own part during the day, but it's the SWP who are really pulling the strings on the Anti-War puppet show. Regrettably, their role is clearly beyond a joke.

### The SWP's origins and evolution

The 1940s were a period of intense crisis for the Trotskyist movement. During the previous decade Trotsky and his followers had abandoned revolutionary politics and steered a course back into the left-wing of capitalism<sup>1</sup>.

The Second World War caused the organisational and political collapse of the Trotskyist Fourth International and the refounded movement stumbled from crisis to crisis. At the heart of the crisis was the failure of the Trotskyists to accept that all aspects of proletarian control had long been lost in the Soviet Union. By the end of the 1940s the Trotskyist view of the world accommodated the expansion of the Stalinist bloc by expanding its own theoretical incoherence.

Starting from an anti-Marxist position that the economic structures within the Soviet Union were fundamentally "a gain for the proletariat", whole new areas of the globe were declared to be "post-capitalist". The areas of Europe handed to Stalin in the post-war imperialist settlement were declared to be "deformed workers' states". Mao's China received a similar accolade and certain Stalinist forces, particularly the governing clique in Yugoslavia led by Tito, were effectively applauded as honorary Trotskyists. Alongside these theoretical abominations many vicious factional struggles broke out, not least amongst the British Trotskyists. Tony Cliff, the leading light in what was to become the Socialist Workers Party, was a participant in those factional struggles.

By 1948, Cliff had adopted a position which stood in contrast to the new orthodox majority amongst the Trotskyists regarding the nature of the Soviet Union and its satellites. Cliff selected from the analyses of the Italian Communist Left and others, including Bruno Rizzi (author of *The Bureaucratisation of the World*), Max Shachtman — who had split with Trotskyism during Trotsky's lifetime, refusing to support the Soviet Union's seizure of Eastern Poland and invasion of Finland, and CLR James (*The Invading Socialist Society*). In common with the Communist left, Cliff adopted the label of "state capitalism" for the Stalinist, states but he in no way broke from the overall Trotskyist approach to politics, or its overall location as part of the capitalist left-wing.

In the course of the factional struggles, Cliff and his followers were excluded from and/or left the crisis-ridden Fourth International. In common with Trotsky's widow, Natalia Sedova, they refused to join with the Stalinists and mainstream Trotskyists in supporting the Soviet/Chinese bloc in the Korean War. The adoption of that position allowed them to adopt (from the American Shachtmanites, the Workers' Party) one of the more enduring slogans of



their movement "Neither Washington nor Moscow but International Socialism". The slogan, unfortunately, did not result in or imply any abandonment of support for national liberation or similar "anti-imperialist" movements.

From the early 1950s until the late 1960s, Cliff's group — known by the end of that period as the International Socialists (IS) — existed within the Labour Party. They received some disillusioned Stalinists following the suppression of the Hungarian revolt and sought recruits, particularly from the Labour Party Young Socialists during the early 1960s. During the '60s their movement was reasonably loose and federal, as were their politics. New theories such as the "Permanent Arms Economy" (developed by Michael Kidron) were incorporated and for a time attempts were made to assimilate interpreted elements of the positions of Rosa Luxembourg.

The late 1960s and early 1970s saw the IS grow to be one of the biggest and most influential forces to the left of the Communist Party in Britain. That process took place in the context of a reawakening of radicalism amongst young workers and students following the events in France in 1968. One result of that new mood of radicalism was to pull IS members almost completely out of the Labour Party<sup>2</sup>. Of particular relevance to the SWP's positions today was IS's ability to use the movement against the Vietnam War as a key recruiting ground during that period.

IS also successfully positioned themselves as a pole of attraction during the wages militancy of the early 1970s, and by 1975, IS had solidified its gains. Cliff and his coterie had abandoned any flirtation with Luxembourism. A series of factions were expelled (including the forerunners of Workers Power, Workers Liberty, RCP/Living Marxism, RCG/Fight Racism, Fight Imperialism) and the group adopted a parody of supposedly Leninist organisational principles transforming itself into the Socialist Workers Party<sup>3</sup>.

### Supplanting the Communist Party

From its inception the SWP was able to elbow aside its rivals within the British Trotskyist

morass<sup>4</sup>. Its early years were marked by its ability to attract and absorb significant numbers of young people particularly through its launch of "front organisations" and activities — notably the "Right to Work" marches and the Anti-Nazi League.

As an emerging radical organisation the SWP was also able to begin to compete with the Communist Party as a pole of attraction. The radicalisation of the late 1960s had largely bypassed the Communist Party of Great Britain and that party moved into crisis as its industrial base shrunk, partly due to economic restructuring and partly due to its inability to adapt to the new radicalism. It was also thrown deeper into crisis under the influence of the more openly social-democratic "Euro Communist" elements and the journal *Marxism Today*.

During the late 1970s and 1980s the SWP also benefitted from most of the other Trotskyists in Britain disappearing back into the Labour Party, overlapping and, in many cases, merging with the followers of Tony Benn and others. By standing outside that milieu the SWP was able to retain its independent profile, particularly amongst successive waves of students.

The 1990s saw the SWP established as the most significant force within the left in Britain. Its biggest rival, "Militant" had reached its zenith effectively controlling Liverpool City Council from 1983 until 1987 but then had suffered severe collapse as the Labour Party became a more and more right-wing and hostile environment<sup>5</sup>.

The SWP's predominance was completed by the collapse of the Soviet bloc. The Stalinist formations collapsed<sup>6</sup> and

the other Trotskyists floundered as the "post-capitalist deformed and degenerated workers' states" were consigned to history's dustbin.

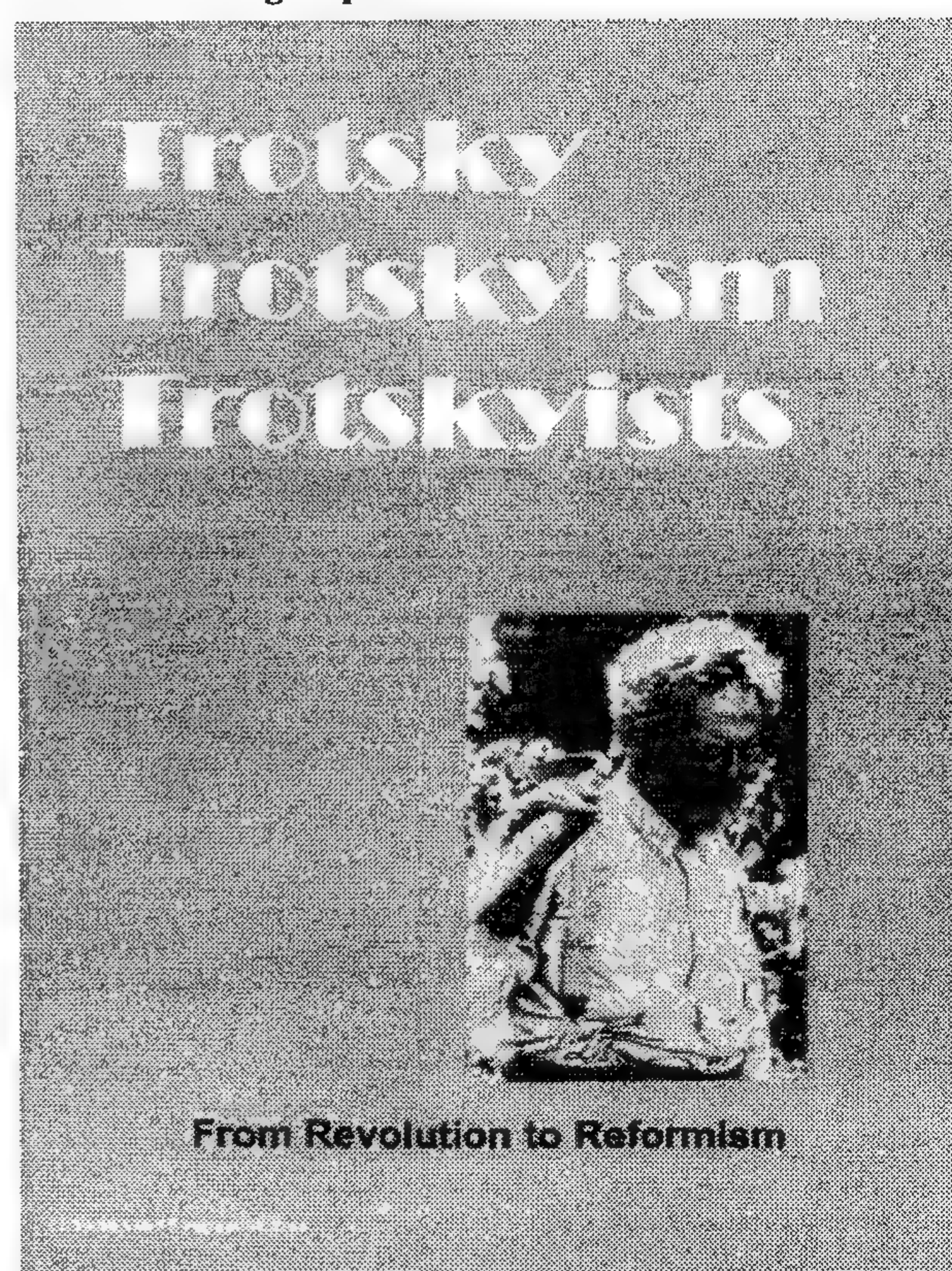
The SWP's manipulative use of that leading position has been shown more than once, with their antics within and around the Anti-War Coalition merely being the latest instance.

### SWP and state capitalism

Earlier in the article there are references to SWP's "unorthodox" Trotskyism centred around Tony Cliff adopting the label of "state capitalism" for the Soviet Union and its puppet states. For the SWP, however, state capitalism in Russia is a peculiar aberration which only arises with the inauguration of the first Five Year Plan in 1928/9 — conveniently for the SWP, shortly after Trotsky is driven from all positions of power in the Soviet Union.

In contrast, we, and other Internationalists, located the development of monopoly state capitalism as being characteristic of capitalism's imperialist phase. The state and monopoly capital have become increasingly intertwined and mutually dependent during the period since capitalism has spread across the whole globe. That

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analysis leads us to a clear understanding that state-owned enterprise is no step forward for the working-class and that the working-class has no interest in defending state capital against private/corporate capital, or *vice versa*. Not so for the SWP. Instead of identifying the Soviet Union's economic structures as being fundamentally similar to nationalised industry elsewhere in the world, the SWP pulls itself up short. Unlike some of its Trotskyist competitors it does not call for the defence of state-owned enterprise in the former Soviet bloc. However, their overall attitude is in no way similar to our Communist position.

Far from refusing to draw workers into a battle between state and private capital, the SWP endlessly encourage workers to fight for nationalised industry against privatisation and deliberately imply that national state ownership in Western Europe is worth defending<sup>7</sup>. The point illustrates that their use of the state capitalist label in no way separates the SWP from the orthodox Trotskyists in their desire to bolster and strengthen state ownership and intervention. In fact, in all areas of political practice the SWP's underlying method is in no way different to that of their fellow Trotskyists. That is clearly shown in the way the SWP have used their dominant position on the British left during recent years.

### SWP — dominant amongst British capitalism's left wing

The SWP's building of an "anti-war" coalition capable of uniting broad layers of the bourgeoisie is nothing new. Their strategy over the last years since achieving the undisputed leadership amongst the leftists has consistently reflected an identical strategy.

During the war in Kosovo/a the SWP played a leading role in building a pro-Serbian "anti-war" movement which was capable of uniting the *Morning Star* Stalinists and left imperialist MPs such as Tony Benn and Alice Mahon. The political direction of that activity was clearly demonstrated by the Serb nationalists who were welcomed onto the demonstrations. The broad alliance which the SWP led, far from being in favour of working-class internationalism, sided with the

Yugoslav/Serbian state and its allies against the US/NATO alliance. On that basis they united both with Serbian nationalists but also the Stalinist dinosaurs who saw something progressive in Milosevic's clinging to elements of Tito's state capitalist legacy. The SWP's apologies for constructing and leading that appalling hotch-potch are not only to be found in their own texts. They also appear in documents issued by their leftist rivals who opted to support the Kosovan nationalists — as an expression of the "national liberationist" variation for taking sides in imperialist conflicts.

By the end of the 1990s, most of the Trotskyists had left the Labour Party and the Blairite leadership had abandoned the rhetoric of post-1945 Labourism. The left wing of capitalism was therefore left with a dilemma in the run-up to the 2001 General Election. To call for a Labour vote had become an almost impossible task. The working-class had lost its illusions in voting Labour to a great extent, as was shown by the mass abstentions. With Scargill's Socialist Labour Party (SLP) having shrunk to a Stalinist-Castroist rump there was no potential for that organisation to be a bandwagon on which the rest of left could ride.

The vast majority of non-SLP leftists grouped into a fresh electoral bloc, the "Socialist Alliance" (SA). That organisation served two particular purposes for the bourgeoisie. Firstly, the SA resurrected traditional left-reformist, state capitalist demands based around nationalisation and state welfare. This was presented as part of the capitalist democratic myth that the parliamentary process can encompass all possible solutions with "your vote deciding" à la old television show, "Opportunity Knocks". More fundamentally the SA, and its SLP alter ego<sup>8</sup>, were able to address a minority of the capitalist left to try to (largely unsuccessfully) halt the move towards mass abstentions.

This handful of examples are symptomatic of the role which the SWP plays in the British political establishment. The balance sheet for the "Socialist Workers Party" is a straightforward example of the Trotskyist incorporation into, and reinforcing of, the capitalist political structures. For anyone confused by the use of the words in the

organisation's title, it might be useful to compare it with the Holy Roman Empire, a political entity formed by the Frankish warlord Charlemagne. As capitalism developed and the French bourgeois revolution redrew the map of Europe it was observed that the vestiges of the Holy Roman Empire were "Neither Holy, nor Roman, nor an Empire". To be fair to the SWP, they can certainly throw a big party (see the opening paragraphs regarding October 13th). As regards socialism or the overall interests of the working class (the overthrow of capitalism), it is clear that this is an organisation which is "Neither Socialist, nor for the workers".

### Marxists and the anti-war movement

The SWP, then, is central to the "broad-based" anti-war liberal-pacifist opposition. They have already played their part by insisting that the mobilising slogan should be simply "Stop the War" — an ideal slogan to unite liberals, pacifists, pro-Taleban elements and other bourgeois political flotsam and jetsam.

Against that mobilisation by the capitalist left, Internationalists have mobilised independently around class positions. A declaration from the International Bureau for the Revolutionary Party was also endorsed by other internationalist nuclei world-wide. That declaration was included in *Aurora 5* and is also included in this magazine.

In Britain, we have tried to meet our historic task by entering dialogue with other forces who are prepared to argue for class war against imperialist war and who reject any support for the so-called "anti-imperialist" capitalist states and political factions. The Sheffield "No War But Class War Group" (e-mailable at SheffieldNWBCW@aol.com) has issued a call for those adhering to those positions to build class-based resistance to the ruling class's open-ended war. They are also calling for support for a contingent mobilised on those positions around the demonstration in London on November 18<sup>th</sup>. They have also called on the longer established London NWBCW Group to call a National Convention on those positions.

The IBRP/CWO does not know whether the NWBCW initiative is the



only vehicle for the building of class-based resistance in Britain. We will continue to monitor developments and interact, engaging in dialogue and debate where possible. Since 1914, imperialist war has posed the sharpest questions to proletarian militants. Despite the weight of reaction and the retreats which we have witnessed during recent decades, we remain convinced that arguing for class against class rather than nation against nation is a possible, and necessary, activity. At all times we will maintain the independence of, and seek to enrich,

the Communist programme. We appeal to class-conscious militants to consider working with us in our activities.

### Notes

- 1 For more information on this period and an overall critique of Trotskyism see our pamphlet, *Trotsky, Trotskyism, Trotskyists - From Revolution to Reformism*. It is obtainable from the CWO for £2 (or equivalent in non-Sterling banknotes) including postage and packing.
- 2 That development in no way changed IS/SWP's commitment to calling on their followers to vote for the Labour Party. A strong and clear call for a Labour vote was issued by them in every General Election up to and including 1997.
- 3 The Socialist Workers Party was then also the name of the biggest Trotskyist formation in the United States of America. Ironically, at around that time, the US SWP was embarking on a political journey which would carry it away from

Ernest Mandel's "United Secretariat" of the Fourth International to become abject cheerleaders for Castro.

4 Its two main rivals in its early days were the Workers Revolutionary Party (formerly the Socialist Labour League) and the International Marxist Group, both of which have long since dissolved into many squabbling grouplets.

5 The largest single fraction to emerge from the collapse of "Militant" in England and Wales is the "Socialist Party" — a key element amongst the SWP's camp followers in the Socialist Alliance.

6 Since partly revived in the form of Scargill's Socialist Labour Party and the reborn "CPGB" (*Weekly Worker*).

7 If that is a correct position, then the muddle-heads in the SWP should explain why the Soviet state-capitalist elites were not helping the working-class by defending nationalised property within their states.

8 The differences between SLP and SA should not be over exaggerated. For example, the celebrity actor Ricky Tomlinson, formerly both a Trade Union activist and National Front sympathiser, was happily able to endorse both platforms.

*We are reproducing below the analysis of the material basis of Islamism made by a sympathiser who was brought up in the Muslim world.*

## Islamism and Capitalism

In the early 1900's, the first cycle of capitalist accumulation was moving to an end, both logically on the global level, and operationally in the western countries. The perspective of the Marxist description of the crisis was realised through the colonial wars of the major rival European imperialist powers (and US capital was on its way to join the club). The tendency towards the fall of the rate of profit had to be countered by the integration of the colonial market into the world capitalist one and, at the same time, gaining access to potential and actual raw materials<sup>1</sup>. In line with the arrival of the crisis, the imperialist strategy became one of penetrating more and more into the pre-capitalist world, and the expansion of the capitalist world market. This expansion proceeded neither as a peaceful interaction between the rival capitalist powers nor was peace sent towards the countries that were trapped in the net of imperialist and inter-imperialist conflict as objects of colonisation and semi-colonisation. On the contrary, the whole process of capitalist expansionism, which was marked by re-mapping of world, concretised itself in war, terror and bloodbaths, which finally and logically culminated in the First World War. One of the achievements of World War I, beside major capital devaluation, was the disintegration of the pre-capitalist Ottoman Empire.

The re-division of the colonial world by the European imperialist powers, at the end of the war, was strikingly apparent and the whole Moslem world fell, directly and indirectly, under the military and politico-cultural control of the western capitalism.

From the historical point of view, the exploitation of the pre-capitalist Moslem area in the Middle East and other parts of Asia had been going on for centuries before World War I. Napoleon conquered Egypt from Ottoman Empire in 1798, but it was taken back by Mohammed Ali, who was technically representing the Turks. Historically again, the process of primary accumulation of capital practically begins to take place in these countries between the two World Wars. The process of modernisation (capitalisation) in Iran, Turkey, Egypt, India, Malaysia, Indonesia... appears in one way or another in a similar way in the same period of time. The path towards modernisation and development was paved by its statification and the application of a large degree of state terror against the tiny working class and broad masses of the pre-capitalist structure in the given society. The task of the local ruling classes in facing the penetration of outside world was to create a nation-state from scratch concerning the lack of the genuine capitalist mode of production in the area. Mass deportation, massacres, and

starvation were what the masses generally in the periphery, and in the Moslem world particularly, had to encounter for the integration of their little world into the big capitalist world.

Within this context, the influence and engagement of the modern capitalist world with the Moslem world has created the historical and objective conditions for the ruling classes (nationalist/capitalist, landowners/aristocracy, traditional and modern petty-capitalist) to exploit Islam and its relation with the masses as a mobilisation factor. The ruling classes in the quest to gain more or defend their own class interest utilised this mobilisation power of Islam against imperialist powers or for a change of imperialist masters in different period of time. The problematic of how and who has the right to exploit raw materials, e.g., strategic ones as oil and gas, labour power, the local market... in the periphery has been and still is the main cause of dispute and conflict among local and external powers and currents, which in turn, of course, belong to the same ruling family classes who run the existing capitalist world.

The socio-political reaction of the Islamic periphery to the process of transformation, from pre-capitalist to capitalist, appeared with both an Islamic and secular form of articulation: pan-Islamism *versus* pan-Turkism, pan-Iranism, pan-Arabism,



pan-Afghanistan... The secular one strove to establish a nation state based on the existing western model of capitalist life style. The Islamic one contributed the reactionary perspective of an Islamic management for running the capitalist life style. Along with these two political currents, the social democratic movement, considering its size and scale, played an immense roll in influencing politically the transformation phase of society from pre-capitalism to capitalism<sup>2</sup>. Perhaps, the secular project for modernisation won the first round in the power struggle for mapping the periphery zone to the capitalist heartland. The task was supposed to be carried out by the newly emerged state machinery, which was and is the only force capable of fulfilling any socio-political project in these countries where the classical capitalist class did not exist until then. Thus, primary capital accumulation began to take place and in coherence with this process of the construction of capitalist structure: a public education system, national military service, a secular juridical system, a registration system. Iran and Turkey concretely mirror the rise of this kind of state-capitalism in the region: the 600-year-old Ottoman Empire and the Islamic caliphate were ended in 1923. Ataturk and his lieutenants, inspired by the writings of Ziya Gökalp, himself inspired by Emile Durkheim's *The Human Division of Labour*, sought a society in which all class conflict and parochial loyalties were subordinated to citizens' functional or occupational roles: "solidarism" i.e., the building of an integrated, conflict-free society, characterised an outlook that spread throughout the Middle East.<sup>3</sup> Reza Khan (Shah), who was inspired by Kemalism in Turkey, declared the end of constitutional liberalism, which had in turn replaced Gajar dynasty in 1909, to crown himself as a new king late in 1926. He continued with the installation of modern state-capitalist forms, which evolved into the monstrous machinery that is the only socio-political body capable of maintaining the line of capitalist dominance.

But, in parallel with this modernisation project by the state, pre-capitalist formations remained operative on all levels in the society; the traditional market, e.g. Bazaar, stayed economically and politically

as a power point in organising Islamic capitalists, petty-capitalists, non-capitalist affluent strata and other middle classes<sup>4</sup>. The ancient community of clergies with strong links to the Bazaar managed to stay unshattered by the wave of the modernisation, which weakened and shackled it without managing to abolish it completely: the interruption in the course of the local cycle of accumulation due to high magnitude of the recession and crisis of the capitalist world on the economy constitutes the main obstacle to the full abolition of pre-capitalist socio-economic and cultural existence. So, in contrast to the western capitalism and re-formatted Christianity, the Islamic periphery has to contain two modes of production and cultures in its heart. In spite of this mosaic existence, the Islamic periphery's integration into orbit of the world market and later global production determines generally capitalism's overall dominance over social

production. This is where the return of Islamism appears as an option to the western style state-capitalism: a perspective-less society's trajectory from darkness to darkness.

### Islam

Islam was born in seven century AD. It emerged from the socio-historical condition of the Arabian Peninsula, which was deeply divided by tribal structures on the one hand, and moving towards a deeper dislocation of the old fabric of tribalism facing outside influence on the other. The young Muhammed travelled with his uncle, following the commercial caravan to Yemen, Syria and the Middle East, where he probably met people and new ideas. He played a significant role by introducing Islam firstly as a moralist code and secondly as political unifying instrument for the country still marked by Bedouin life and sharp clan and tribal antagonism; the reason behind Mohammed's success

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in introducing the new religion must be sought in the objective conditions of the Arabia peninsula. Neither the abstract ideas nor the moral codes implemented Islam among the people of Arabia. The concrete elements in his preaching about Islam's universality, solidarity, tolerance, equality and kindness in opposing and replacing the barbaric instinct of revenge and separation of tribes played the main role in the acceptance of Islam.

Even if Islam was progressive in its historical surrounding in a historic time period, the passage of time and Islam's main fundamental dogma (e.g. demand of total obedience from its followers, unequal role definition between men and women<sup>5</sup>, to give two small examples), as any other religion, has transformed it to an irrational and reactionary system of thoughts in the modern world. Contrary to Christianity, Islam did not go through a long process of secularisation and enlightenment. The struggle against Feudalism and related social structures, state and church took very violent, ideological and physical forms. Behind the church, the doctrine of Christianity was attacked. The Moslem world remained relatively untouched in a historic sense and succeeded even in the era of capitalism to guard its old identity due to the inability and unwillingness of capitalism to eliminate the pre-capitalist structures of the society: consequently God did not die in the Orient<sup>6</sup>.

*Religious distress is at the same time the expression of real distress and also the protest against real distress. Religion is the sigh of the oppressed creature, the heart of a heartless world, just as it is the spirit of spiritless conditions. It is the opium of the people<sup>7</sup>*

Nowhere and at no time in the history of mankind, has this true and tragic description of the relationship between man and religion crystallised itself so clearly and drastically as it does in the modern capitalist world and its Islamic periphery.

### Islamism

The initial idea of Islamism goes actually back to the starting phase of colonialism in 18<sup>th</sup> century. The ruling kings and classes in Persia (Gajar dynasty, Naser al-Din Shah) and Egypt (Mohammed Ali) were interested in, and, at the same

time, afraid of the modern world's progress. The Ottoman Empire was where the idea of pan-Islamism was formulated by Seeyed Jamal al-Din, later the so-called "al Afghani": he travelled from Iran to India, Egypt, Afghanistan, Europe and the Ottoman empire, and returned to Persia to be deported back to the Ottoman empire prior to his death. He tried to convince the existing kings and the Sultan to support ideas about the *Ummat* (community) of Islam in order to push back influence of western (non-Muslim) power and succeed with the development project. Despite the reactionary idea of re-creating the ancient Islamic community (*Ummat e mosalman*), he worked and propagated to unite the religious and secular forces of the society in the camp against Western powers: Imperialism. In contrast to most of the pan-Islamists of the 20<sup>th</sup> century, he argued for the power of Islam in mobilising the masses against the foreign powers, but underlined the negative affect of it in holding back development in the region.

In the period after the Russian revolution, a wave of an anti-imperialist movement swept across the east. The movement, as a reflection of the actual economic changes in the process of accumulation (commodity *versus* financial capital), displayed the initial sign of the end of direct colonial imperialist dominance. The anti-imperialism wave as tool and method of a historically handicapped nationalism came to surface partly as consequences of the re-division of the Old World and, at the same time, of an inspiration from the Russian revolution.

*In the Moslem countries, the nationalist movement is guided in its early stages by the religious-political slogans of the pan Islamic movement, and gives the great power diplomats and officials the opportunity to exploit the prejudices and ignorance of the broad masses and turn them against the national movement (British imperialism dabbles in pan Islamism and pan Arabism and plans to transfer the Caliphate to India; French imperialism pretends to "Moslem sympathies"). However, as the national liberation movements*

*grow and mature, the religious-political slogans of pan-Islamism will be replaced by political demands.<sup>8</sup>*

As history has shown us, the Islamism was not replaced by the assumed nationalism. It actually evolved into an ideology capable of maintaining the capitalist order with non-capitalist ideological and cultural measures. There are two main reasons for the IIIrd international's failure to realise the outcome of Islamism as an ideological-political perspective of the ruling classes: 1) The defence of the capitalist question of self-determination and national liberation; and 2) it was not able to see and verify capitalism's failure to completely demolish and replace the pre-capitalist mode of production. Concerning the first point, the modern and traditional ruling classes consciously raised and utilised the question of self-determination and national liberation in their camp to break from the old colonial structure and rearrange new set of relations with the imperialist structure. This was another historic moment again verifying the validity of Rosa Luxembourg's theory *versus* Lenin's on the same question. "Today the nation is but a cloak that covers imperialistic desires, a battle cry for imperialistic rivalries". Because, in the final analysis, every one of the nation-states, regardless of the ideology (Islamism, Saudi Arabian, secular: Egypt) the Islamic periphery was build by the direct or indirect support and involvement of the imperialist powers. On the second point, it reminds us of similarities of today's erroneous idea about the

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dominance of capital as an abstract entity. Without having a genuine analysis, we dismiss the relation between Islamism and the co-existence of capitalism and pre-capitalist modes of production.

### Conclusion

A Contrary to some assumptions that Islamism is the pure reflection of the capitalist mode of production; it is not. It is the confusing expression of the co-existence of at least two modes of production. On ideological and political level, Islamism has certainly similarities with Fascism (inherited from capitalism), but it is theologically-based ideology, and despite it is in fact the masterpiece of the capitalist order, it is ironically in contradiction with the same order in certain levels. It is not a gender- or race-based ideology, as it is the case for Fascism in the centre.

B Historically, the Islamic periphery has not gone through the modernisation phase, building of the nation-state and nationalism has not been completed in the region. Probably, this process will never be completed due to the fact of the permanent crisis of the existing dominant global order, and the current global tendency towards regionalism.

C The battle for the control of the most strategic raw materials, oil and gas, have been the main reason behind all of the imperialist conflicts and the internal power struggles in the Middle East and the capitalist Islamic periphery since the turn of twenty century.

D The only way out from these conditions, for the broad dispossessed masses and the working masses, is to be mature, from communist point of view, and implement an internationalist perspective in the camp against the existing order for emancipation from yoke of the capital and Co.

that if the one erreth (through forgetfulness) the other will remember.

4.11. Allah chargeth you concerning (the provision for) your children: to the male the equivalent of the portion of two females.

4.34. Men are in charge of women, because Allah hath made the one of them to excel the other, and because they spend of their property (for the support of women). So good women are the obedient, guarding in secret that which Allah hath guarded. As for those, from whom ye fear rebellion, admonish them and banish them to beds apart; and scourge (beat) them. Then if they obey you, seek not a way against them Lo! Allah is ever High Exalted, Great.

Equally, in numerous hadiths on which are based the Islamic laws, we learn of the woman's role — to stay at home, to be at the beck and call of man, to obey him (which is a religious duty), and to assure man a tranquil existence. Here are some examples of these traditions: The woman who dies and with whom the husband is satisfied will go to paradise. A wife should never refuse herself to her husband even if it is on the saddle of a camel.

6 Maxim Rodinson, *Muhammed*

7 Karl Marx, *Collected Works*, volume 3, p-175.  
8 *Theses, Resolutions and Manifestos of the First Four Congress of the III International*, p. 411.

9 Rosa Luxembourg, *Junius, The Crisis in the German Social Democracy*.

RM

### Notes

1 *Western Europe and the United States Economic History*, Dudley Dillard

2 Abrahamian, *Iran Between two Revolutions*

3 *A Political Economy of the Middle East*, Alan Richards and John Waterbury.

4 Nikki R., Keddie, *Roots of Revolution*.

5 Verses from the Koran:

2.228. Women who are divorced shall wait, keeping themselves apart, three (monthly) courses. And it is not lawful for them that they should conceal that which Allah hath created in their wombs if they are believers in Allah and the Last Day. And their husbands would do better to take them back in that case if they desire reconciliation. And they (women) have rights similar to those (of men) over them in kindness, and men are a degree above them. Allah is Mighty, Wise.

2.282. But if he who oweth the debt is of low understanding, or weak or unable himself to dictate, then let the guardian of his interests dictate in (terms of) equity. And call to witness, from among your men, two witnesses. And if two men be not (at hand) then a man and two women, of such as ye approve as witnesses, so

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# Call Centres Moving to India

## Changes in the composition of the working class

In *Revolutionary Perspectives* 16 we published an article entitled "The Condition of the Working Class in England — a Modest Addition for the Year 2000" which described the atrocious conditions workers had to submit to in call centres. We showed how fundamentally these conditions remain similar to those of 150 years ago as described by Engels in his book *The Conditions of the Working Class in England*. Although workers in these centres operate computers, data bases and telephones they are just as much dominated by these machines as the workers Engels described in the steam driven engineering and textile mills of the 1840s. Workers are forced into mind numbing routines, constantly monitored, bullied by supervisors who squeeze every last drop of surplus labour out of them. In its essentials capitalism remains the same as it was a century and a half ago. While the working class remains

forced to sell its labour power to the capitalist class it will remain dominated by capital and will suffer whatever atrocities the capitalist class can get away with.

The primary concern of the capitalist class is, of course, the rate of exploitation and, as we pointed out, call centres are located in areas where older industries have collapsed and workers will work for a pittance. The regimes of monitoring and bullying enforce their exploitation to the point where it is difficult to see how any more surplus labour could be extracted from these workers. A recent TUC report describes how workers are often allowed only 6 seconds between finishing answering one call and responding to the next, how they have to ask permission to go to the lavatory and then are timed when they are away from their desks.<sup>1</sup>

The growth of call centres in the last decade has been phenomenal. There are now over 400 000 workers employed in these centres which is more than the total now employed in

the mining, steel and vehicle manufacturing industries combined. This growth is an illustration of the general trend for the metropolitan countries to move from predominantly industrial economies to service economies. In Britain the statistics show that whereas 30% of the working class were employed in manufacturing industry in 1978 by 1998 this had shrunk to 17%. In absolute figures there has been a decline of 2.76 million manufacturing jobs in these two decades. Corresponding figures for banking, finance and insurance show an increase from 11% in 1978 to 19% in 1998 and an absolute increase of 2.44 million jobs.<sup>2</sup> These figures, though they contain inaccuracies such as the inclusion of part time workers, indicate a clear trend, and it is a trend which is typical of all metropolitan countries.

## Jobs lost in manufacturing industry

Many of the jobs lost in manufacturing in the metropolitan countries have gone to the peripheral countries. This is, of course, because the cost of labour power is cheaper in these countries and for capitalism, cheapening the cost of labour power is the primary means of increasing profit rates. Since the onset of the capitalist crisis in the 1970s the export of capital has become the dominant factor in the world economy. By the early 1990s the total stock of capital invested abroad, so-called "Foreign Direct Investment" was estimated to be \$2000bn, 60% of which was in manufacturing.<sup>3</sup> Throughout the last decade the export of capital has continued and between 1994 and 1999 the flows to so-called "developing" countries averaged \$285bn annually. The manufacturing element of this capital is not going solely to consumer goods, light industry and electronics, but also into heavy engineering, steel production and petrochemicals. These are changes in the real structure of capital worldwide and, of course, they underlie the greater integration of

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the world economy, the so-called "globalisation" of the last two decades and the accompanying political changes. They also underlie changes in the structure of the working class.

In the metropolitan countries, restructuring and the export of capital have brought about the devastation of entire sectors of the economy, decimation of jobs and the shattering of the large concentrations of the working class. Dramatic illustrations of this are provided by the British coal mining and steel industries where around 90% of all jobs have been lost in the last two decades. In mining, for instance, the 200 000 coal miners who worked the pits at the time of the strike of 1985 have today been reduced to 13 000, and similarly the 180 000 steelworkers of 1980 have today been reduced to 23 000. These are examples of a general trend throughout the developed economies.

### Jobs in the service economy

Many of the jobs lost in manufacturing industry have been replaced by jobs in services as mentioned above. However, capitalism, whether it is engaged in manufacturing or services experiences the same problems of declining profit rates and inevitably looks to the same solutions. It is therefore entirely predictable that jobs in the service industries are also being moved to the peripheral economies where wages and working conditions are much worse than in Europe or the US.

The development of information technology and improved communications means that many service industry jobs can be carried out remotely anywhere in the world just as easily as they could be done locally. For several years now computer companies, notably Microsoft, have been transferring programming and development work to countries in south east Asia. Similarly British Airways has transferred sections of its accounting and customer support services to India. The latest jobs to go to the peripheral countries are those in call centres. Many UK insurance and financial companies have already located customer services overseas. GE capital, for example, which runs store credit cards, now directs the enquiries of its 2.5 million UK customers to its call centre in Delhi.

At present \$250 million is being spent equipping call centres in Indian cities such as Delhi, Bombay, Madras and Bangalore. The numbers of Indian workers in Indian call centres is expected to reach 33 000 next year and 350 000 by 2008. The driving force behind the move to India is, of course, the cost of labour. Whereas the average pay for a UK call centre worker is £12 800 annually that of an Indian worker is £1300. In other words, the cost of labour power in India is almost 1/10th of that in Britain.<sup>4</sup> A recent study by a UK consultancy "Outsourcing Insight" concludes that India offers "better facilities than the UK, staff who are better educated and 80% cheaper." It is anticipated that the revenue from Indian call centres is likely to be \$3.7bn by 2008 and British and US capital is now flowing into India to fund this expansion. The massive expansion we have seen in UK call centres is likely to be halted if not reversed. The director of the UK Call Centre Association, Ann Forsyth, comments, "It will only take a few quick decisions by one or two of the big employers here for large chunks of the call centre business to be lost."<sup>5</sup>

### Conclusion

The development of Information Technology has opened up the road through which service sector jobs can be shifted to the low wage economies, and what we have described above represents a trend which is bound to strengthen in the coming years. Such a trend is an expression of capitalism's need to increase its profit rates, a need which the bosses will always satisfy by cheapening the cost of labour power if this is possible. In the longer term this will result in a tendency to equalize wage rates worldwide. Although the average call centre wage in the UK is very poor, and only approximately 2/3 of the average UK wage it is still 10 times more than the Indian worker is paid. In fact the Indian worker's wage is less than UK unemployment benefit! This can only mean that for UK workers wages will tend to fall and unemployment will increase.

The tendency towards equalization of workers wages and conditions brings with it the possibility of the unification of the working class worldwide. If workers worldwide are united in their wretched conditions

this will be a powerful incentive to revolt against the oppression of capitalism. This is something the ruling class wants to avoid at all costs. They need to retain the relatively privileged position of the metropolitan working class since these supposed privileges are the material basis on which bourgeois nationalism and the ideology of imperialism stand. Both of these are essential tools in mobilising workers to fight for their bosses in wars. However, as the crisis develops the capitalist class is placed in a contradictory position. On the one hand it tries to convince workers that they have a stake in this society and could lose everything in any social change, while on the other hand it is forced to continually reduce their living conditions towards those of the peripheral countries. Capitalism, however, is never standing still and its extension and strengthening in the peripheral countries is still, as *The Communist Manifesto* declared, generating its gravediggers. Beneath the surface appearance of its crises and recoveries capitalism lays the basis for revolution. The old mole continues to burrow. Whether his work leads to revolution will depend on tomorrow's workers understanding their common international interests and uniting politically to pursue them.

CP

### Notes

- 1 See *Calls for Change* TUC report.
- 2 Figures from *Labour Market and Skill Trends 2000*, Department for Education and Employment
- 3 *Globalisation in Question*, Paul Hirst & Graham Thompson, Polity Press p53. NB FDI does not include flows of equity capital, which are many times greater.
- 4 *Financial Times*, 11/08/01
- 5 *Financial Times*, 11/08/01



## Consciousness Part Three

## Marx, Engels and Proletarian Organisation

In the previous part of this text we demonstrated that the notion of a political organisation of the working class is not an artificial construct but arises from the very class nature of the proletariat. The working class does not have a property system to defend. It cannot therefore extend its consciousness simply by defending its immediate material interests. Its consciousness is formed in its struggle and this, by the nature of the struggle is often partial, fragmentary and episodic. It rises in one area as it falls in another. The economic struggle against capital, though, leads to some workers reflecting and acting on their experience in different ways. Those who recognise that the struggle for wages is not the real outcome, but that the struggle to end the wages system is, are forced to systematically organise around a programme which contains the lessons of the proletariat's experience up to that point. This poses the question of a political organisation and in the terms of the nineteenth century this meant a political party.

The term "party" had its origins in an insult made by the rising bourgeois against those who supported one aristocratic gang against another. A "man of party" was by definition anti-patriotic. But the bourgeoisie were not averse to organising themselves into parties. Originally in the French Revolution all the leading political elements joined the same club. But as the question of what to replace the Old Order with divided the different bourgeois interests, especially once the "vulgar mob", started to take part in proceedings then this club (nicknamed the Jacobins) split and the constitutional monarchist (Feuillants) and Republican rich (Girondins) split from the more petty bourgeois, Parisian-based Jacobins. Even these were not parties in the sense we would understand today since they had only a vague ideology and the Jacobins were split into factions like the Robespierrists and the so-called Indulgents or Dantonists. It was only with the setting up of voting systems (originally with restricted franchises) that we get the bourgeois party as a

vote gathering machine proper which developed in the period 1815-70.

Does this mean that we have to agree with Otto Rühle that "all parties are bourgeois"? His conclusion was based on his experience not only of how the Bolshevik Party became the instrument of counter-revolution in Russia but even more on his longer experience of the political conditions inside German social democracy. It is the problems which arise in the period of social democracy, the first time when workers are really organised into political parties as such that we have to look to understand some of the issues which confront us today.

However, before we get to this point we cannot ignore the actual experience of the working class in the lifetime of Marx and Engels. It might be useless to refer to them for an answer to the present day issues about how proletarian class consciousness achieves an organised form but it is equally inaccurate to argue that they were indifferent to the issue of a political organisation. This is clear even before the famous *Manifesto of the Communist Party* of 1848. The year before in *The Poverty of Philosophy* Marx laid out the basic path to class consciousness of the modern proletariat. Taking the English proletariat as his material example he noted that

*If the first aim of resistance was merely the maintenance of wages, combinations, at first isolated, constitute themselves into groups as the capitalist unite for the purposes of repression, and in the face of always united capital, the maintenance of the association becomes more necessary to them than that of wages ... In this struggle – a veritable civil war – all the elements necessary for a coming political battle unite and develop. Once it has reached this point association takes on a political character.*

*Economic conditions had at first transformed the mass of people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is*

*already a class as against capital but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle.*

*The Poverty of Philosophy* in D. McLellan, K. Marx: *Selected Writings* p. 214. Our emphases.

But if class struggle ultimately was political struggle what was the vehicle for this struggle? Workers did not wait long for an answer. In the *Manifesto of the Communist Party* Marx announced to the world that

*It is high time that Communists should openly, in the face of the whole world publish their views, their aims, their tendencies, and meet this nursery tale of the Spectre of Communism with a Manifesto of the party itself.*

McLellan *op. cit.* p.222

It should be noted that the word "party" at this point has no capital letter. Marx is talking of a trend not an actual body. Although the Communist League which sponsored the *Manifesto* was real enough it did not have any exaggerated view that it was already a real force. But in the *Manifesto* Marx makes it quite clear that "class for itself" means the formation of a political party. When discussing the class struggle between capital and labour he states that:

*The real fruit of their battle lies, not in the immediate result, but in the ever-expanding union (here meaning "unification" not trades union) of the workers.*

Once again, however, "every class struggle is a political struggle" so the result is

*The organisation of the proletariat into a class and consequently into a political party...*

*ibid* p.228

Of course, in 1848 no such party actually existed and the statements about that party and its relation to the working class have to be taken as propagandist rather than definitive.



However, this did not stop Marx and Engels from trying to develop the Communist League from its semi-Jacobin origins into a real organisation of the working class.

To this end they sought the widest possible appeal. Thus they wrote that

*The Communists do not form a separate party opposed to other working class parties ...the Communists ... are ...the most advanced and resolute sections of the working class parties of every country.*

*The fact that they had only the vaguest outlines of what a proletarian party would have to look like at this early point in working class history does not invalidate the view that they saw the need for the most advanced proletarians to maintain a permanent political association. Otherwise why would it be necessary to assert that the Communists*

*have over the great mass of the proletariat that advantage of clearly understanding the line of march.*

*op. cit. p. 231*

Marx and Engels underlined the need for political clarity in the third part of the *Manifesto* where they subject all the trends that had up until that time claimed to represent the working class to critical scrutiny. St Simon, Owen, Proudhon, Cabet, Fourier etc are all put under the magnifying class of withering criticism and dismissed. The idea that the Communists do not set themselves up in opposition to other working class parties did not mean, even at this early stage, that anyone calling themselves socialist were accepted as such. In a sense it is a taste of the political debates ahead as the proletariat tries to define itself against capital and develops a materialist worldview which went beyond paternalism and utopianism. The *Manifesto* recognised quite clearly the twin themes at the heart of the development of working class consciousness. It recognised that communism was an entirely different mode of production which could only come about when that communist consciousness had spread to a majority of the workers.

*All previous historical movements were movements of minorities, or in*

*the interests of minorities. The proletarian movement is self-conscious, independent movement of the immense majority.*

*ibid. p.230*

but it also underlined the role of the Communists as the only fully conscious members of the proletariat. They were the ones who understood the "line of march" of the whole proletariat. They represented the future that all proletarians would eventually have to attain if capitalism were to be overthrown.

This, of course begged a few questions about precisely at what stage the consciousness of communism would spread to the wider class movement, but this was a question which was only clearly posed later during the period of social democracy at the turn of the century.

In the 1840s and 1850s Marx and Engels were more interested in the development of the class movement as a whole as it was still in its infancy. They had participated in, and even led, the Communist League, but when they saw that the possibility of proletarian revolution would have to be postponed to the distant future, they had no hesitation in breaking with those in the League who thought that the next revolution was near, and would be proletarian. However although they split with the Willich-Schapper group in the Communist League in 1850 they did not simply retire to the study. Both maintained a continuous correspondence with all the elements in Germany and elsewhere who would one day contribute to a new proletarian organisation. Even Schapper was reconciled to Marx within a few years when it was clear that Marx's perspective on revolution was right. It is also a bit of a myth that *Capital* was written in isolation from the debates within the working class during this period.

However what Marx and Engels did try to avoid was the petty squabbles of the various small groups that did appear in this period. They did not attack people like Lassalle too strongly despite his rejection of economic struggles (thus turning the struggle for socialism into something religious rather than based on what was really going on) and despite even his offers to do deals with the Prussian state. Thus until the

foundation of the First International in 1864 they virtually kept themselves silent during all the political infighting between the various tendencies in the international proletarian movement.

### The First International

The contacts Marx and Engels maintained were to be absolutely central to their rise to dominance over the First International after 1864. However their involvement in this body was initially almost an accident.

The International Working Men's Association arose out of the narrow desire of English trades unionists to prevent French workers breaking English strikes and the Emperor of France's desire to demonstrate his paternal regard for his workers by subsidising a delegation to visit the London International Exhibition in 1862. This delegation of French workers (mainly followers of Proudhon) took part in a conference with the English trades unionists and agreed to set up an International Working Men's Association. Also invited to the first meeting were delegations from foreign workers living in London including those who supported bourgeois nationalists like the Mazzinians as well as French republicans.

Marx was eventually invited to write its main documents (the *Inaugural Address* and the *Provisional Rules*) and realised he would have to be very skilful to keep this disparate alliance together, especially as the English were hostile to the very idea of politics being brought into the organisation.

These documents are thus no ringing declaration of the principles of scientific communism like the *Communist Manifesto* was. Marx himself wrote of the need for a "gentle style". Marx tried to direct the participants away from trades union demand issues to the greater political issues. This is why he includes the line

*To conquer political power has therefore become the great duty of the working classes.*

This may be self-evident today but it was intended to set down a benchmark which he intended to make the English trades unionists in the International widen their perspectives. He also skilfully praised the internationalist actions of



the English working class in the face of such issues as fighting slavery in the U.S. Civil War (where they had come out against the South despite the fact that the loss of cotton from its slave plantations cost them jobs). Marx hoped that the aristocracy of labour represented in the English New Model unions of the time would take on the task of organising the whole working class but their particularist trade mentality disappointed him. After 1867 the Reform Act led many trades unionists to throw in their lot with the Liberal Party (precisely what Marx hoped to avoid when he wrote the *Draft Rules*). William Cremer, general secretary of the International eventually became a Liberal MP. In the previous part of this text (see *Revolutionary Perspectives* 22) we looked at how Marx and Engels theoretically understood the limitations of trades union activity and the economic struggle. But during the course of the First International they came to recognise that

*The trade union movement, among all the big, strong and rich trade unions, has become more an obstacle to the general movement than an instrument for its progress...*

Letter of Engels to E. Cafiero (1871) quoted in Hal Draper, *Karl Marx's Theory of Revolution*, Volume II p.107  
It was also against the English trades unionists, as well as the French Proudhonists, that Marx wrote the line that has been quoted out of context by the worshippers of spontaneity ever since

*That the emancipation of the working classes must be conquered by the working classes themselves.*

*Provisional Rules* in K. Marx, *The First International and After* (Pelican 1974), p.82

This was an argument for a party and for political action. It was aimed at those who argued that the aim of the International Working Men's Association was just to defend workers living conditions and against those who looked to bourgeois parties to help them. Proletarian autonomy meant having their own political instrument that was based on their consciousness and their programme.

However, at the beginning Marx's subtleties were too much for the

English trades unionists, who were satisfied with his *Address* and his rules, so Marx now had a base of support within the International with which to deal with the French Proudhonists. At this point Marx and Engels were highly optimistic about the future of the International. On September 11<sup>th</sup> 1867 Marx could write to Engels

*...At the next Congress I shall personally deliver a knock-out blow to these Proudhonist jackasses. I have managed the whole thing diplomatically and did not want to come out personally until my book (Capital - ed.) was published and our Association had struck root...The scoundrels among the English trades unionists who thought we went "too far" now come running to us ... Things are moving and in the next revolution, which is perhaps nearer than it appears, we (i.e., you and I) will have this powerful engine in our hands...*

Marx-Engels *Selected Correspondence* (Progress Publishers 1955) p.181-2

### The End of the International

**A**lthough the prediction about the future revolution took the material form of the Paris Commune in 1871 the optimism about how the International itself might act was unfounded. Whilst the Paris Commune was to further develop the working class understanding of its revolutionary tasks (the need to smash the old bourgeois state etc) the International had little organisational impact since Paris was the centre of the Proudhon faction in the International. Although the Proudhonists were no longer dominant in the International they still represented a considerable force in France where artisanal and petty bourgeois production was still widespread. Thus Proudhonist mutualist schemes had a certain resonance but in no way conflicted with the basic operation of the capitalist mode of production (Proudhon's oft-quoted line "Property is theft" sounds good but he himself argued for petty bourgeois property and thought that equal labour exchanges were possible. He also argued that women did not enter into this concept of equal labour exchanges since their proper place was the home - a view naturally

accepted by the English trades unionists!).

By 1868 the Proudhonists were all but defeated inside the General Council of the International but the looming threat then came from Michael Bakunin. This is not the place to analyse all the extraordinary acts of Bakunin but the struggle against his manoeuvres also emphasised the tension between the need to have the broadest possible appeal to workers whilst at the same time having a sufficiency of agreement on both a political and organisational level to make an international proletarian party which was capable of acting decisively. In the end the whole Bakuninist episode simply helped write the obituary of the International. By the time the First International was in its death throes it was recognised that there was a need for an International which was much more programmatically coherent and organisationally centralised. In the course of the history of the International therefore the proletariat learned one lesson which was that those who professed adherence to the proletariat did not necessarily understand how to fight capitalism.

The political organisation of the class was beginning to take shape as the collective memory of the working class. It alone reflected on the class' experience and programmatically carried them forward into the next period in history. Marx and Engels themselves had come a long way from the fairly vague statements of the *Communist Manifesto*. Now they saw the need for an organisation of the wider working class which understood revolutionary praxis. Towards the end of the life of the International, particularly after the Paris Commune Marx had recognised that the International needed deeper roots inside the life of the working class of countries throughout the world in order to have real influence on events. This ushered in the phase which led up to the formation of Social Democracy and the Second International in 1889. This was to bring new problems and new insights on the development of revolutionary organisation. It is to these that we turn in our next issue.

**Jock**



# Railtrack and the Crisis of Capitalism

## British Capitalism and the World Capitalist Crisis

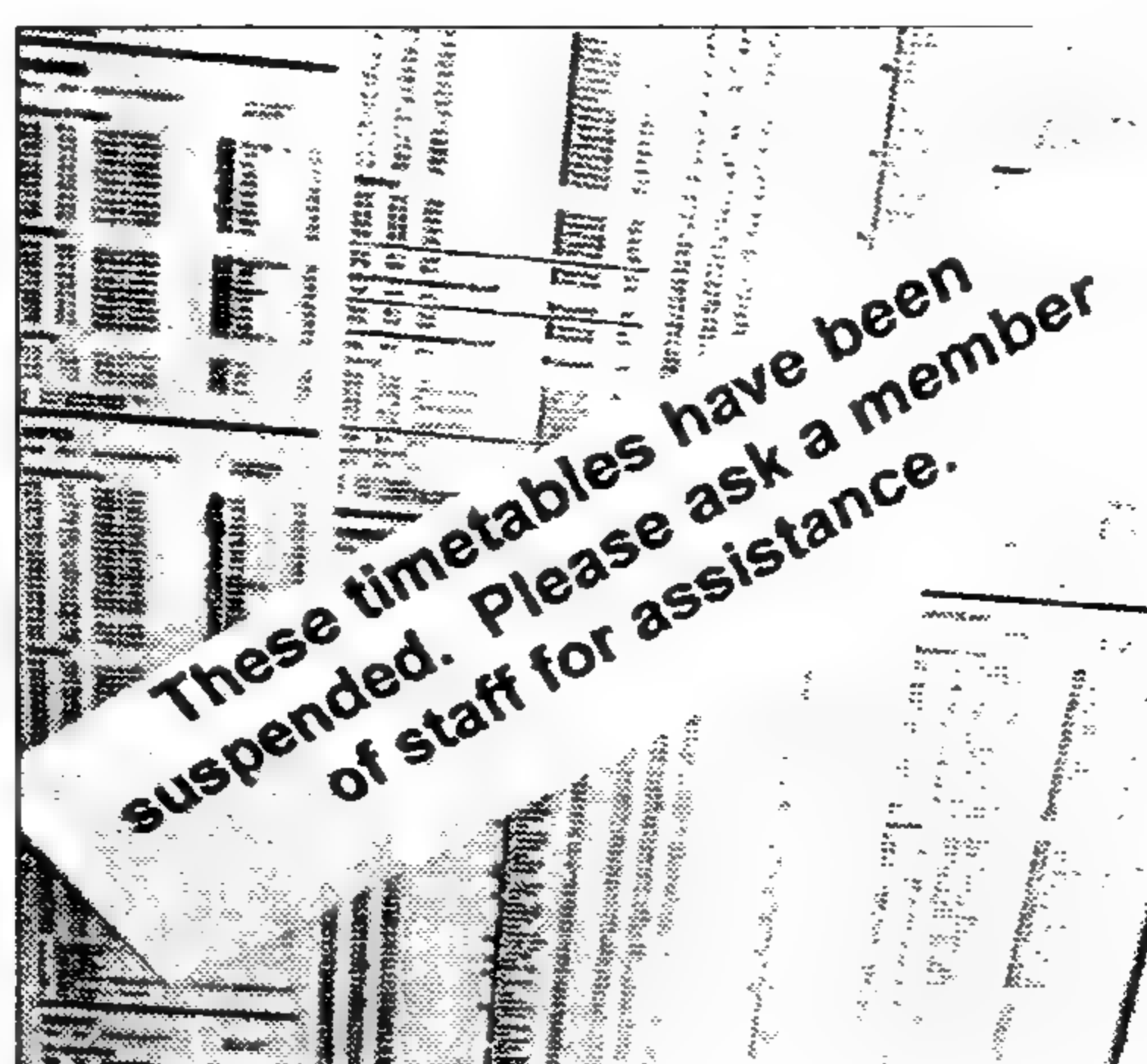
**M**odern capitalism is monopoly capitalism. Monopoly capitalism creates its own contradictions which means it cannot operate without the regulating power of the state. Indeed from 1914 until the mid-1970s the state played an increasing role in the life of capitalist economies. Supported by what they understood to be the theories of John Maynard Keynes capitalist states intervened in the economy to even out the ups and downs of the business cycle and, after 1945, to guarantee (almost) "full employment". In this way the Keynesians claimed that capitalists would contain social conflict within the bounds of the democratic system and the capitalist system would prove that Marxism had become antiquated and irrelevant.

In the post-war boom after 1945 the formula seemed to work. Capitalist economists like Paul Samuelson congratulated themselves that the "longest secular boom" in history had been achieved. But like Herbert Hoover who saluted the stock market growth of the 1920s as "banishing poverty forever" a few months before the Wall Street Crash of October 1929, this optimism proved to be exaggerated.

When the crisis of the end of the current cycle of accumulation hit the capitalist system in the late sixties and early seventies the first response of the state was to try to calm the class struggle. Redundancy payments were given to discourage layoffs and subsidies were paid to what were regarded at the time as strategic industries in order to keep them going (like steel, cars, coal etc). However to pay for these the governments of the day (whatever their political colour) had to resort to the printing press and deficit financing on a huge scale. State debts mounted to what were then regarded as unsustainable levels. Since printing money simply devalued what it could buy there was

massive inflation and workers went on strike in order to maintain living standards. Far from achieving social peace, the system was hit by wave after wave of massive strikes.

This continued until 1976 when both Britain and Italy (two of the top six industrial countries in the world) were forced to call in the IMF to get loans. The IMF prescribed an end to deficit financing which could only come about through massive cuts in health, education and other social services. The consequence was that the taboo of maintaining full employment was broken. In Britain in the next three years unemployment tripled to 1.5 millions. In 1979 it enabled the Thatcher government to win power with the slogan that



"Labour isn't working". Three further years and unemployment had doubled to 3 millions. What neither Thatcher nor anyone else anticipated was that this rise in unemployment would act to restrain the militancy of the working class. At the same time it opened the door for the advocates of neo-liberalism to argue that the state had become an impediment to accumulation and that the task of government was "to roll back the frontiers of the state". This also fitted in with the new global needs of capitalism. The state, which had acted as a lender of last resort for so long, now had insufficient capital even to maintain the welfare state which had been the heart of the post-war settlement to maintain social peace, let alone subsidise its older

basic industries. At the same time industries like BT could not compete internationally if they were tied to the British state and limited to a domestic market. The privatisation of BT was the first step in a line of privatisations which it was hoped would attract private investment to the dynamic parts of British capitalism. This was supposed to make them "world players". British Gas was soon to follow and then such "natural monopolies" as water and electricity. Steel and coal were privatised only once the State had defeated the workforces in 1980 and 1985 respectively. Privatisation and de-regulation became the name of the game. Unemployment rose steeply (so steeply that figures had to be massaged to hide its true extent) and strikes diminished sharply.

For the neo-liberals it all proved that "free enterprise works" although the idea that the state had retreated back to its pre-1914 position was propaganda rather than substance. In most cases the state retained a "Golden Share" or regulatory powers (sometimes disguised behind a so-called "quango" like Ofel).

The last two big state monopolies which came under scrutiny by the Tory Government were the Post Office and railways. The Post Office was and is a difficult

issue for the state and the method that the New Labour Government are using to break the Post Office up is similar to that of the Tories against the miners and steel workers. Postal services such as parcel delivery are being eaten away by new rival firms with backing from one or other big monopolist (TNT, for example, was virtually launched by Rupert Murdoch for his own strike-busting schemes at Wapping). Postal workers are constantly being put under pressure by a management which insists on total subservience. To the credit of postal workers in many areas they have continued to resist (see *Revolutionary Perspectives* 20). **But if undermining the postal service was a slow business then the**



## privatisation of the railways was shambolic.

By the time it came to the railways neo-liberal ideology was running wild. One thing, clear to the Thatcher Government before the miners' strike of 1984-5, was that too much coal was carried on the British Rail freight service. As part of the preparations for that confrontation they began (from 1981) the task of undermining the contracts between BR and British Coal and encouraging private road haulage firms to deliver the coal by lorry. This was then extended to more and more areas of the economy. British Rail freight operations were decimated. As a transport policy it was nonsense (since it clogged up the roads and created more wear and tear of existing roads) but as a step in the class struggle it made perfect sense. Any solidarity between railworkers and miners was immediately undermined. But having also further undermined the commercial viability of British Rail the priority was now to remove it from the Treasury balance sheet. It was to take them more than ten years to achieve and when they did it was a perfect illustration that capitalism is long past its sell-by date.

## The Great British Railway Story

It is one of the ironies of the whole railway saga that rail travel was one of the first instigators of government intervention in the economy. In 1844, the same year as the concept of limited liability was brought into British capitalism, the President of the Board of Trade, a certain William Ewart Gladstone, introduced a law compelling all railway companies to run at least one train every day in both directions which had third class accommodation for the masses. Labour mobility was the name of the game. Four years later Parliament also decreed that the standard gauge for all British tracks should be Stephenson's 4 feet 8.5 inches. (Instead of the rival Brunel's safer and more rational 7 feet gauge – it was a prefiguration of the story of Betamax and VHS or Windows and Apple Mac. Under capitalism it is not necessarily the best system that wins.)

However for the rest of the nineteenth century the story is typical of every other branch of the capitalist economy. Years of

expansion would culminate in a crash in which better capitalised firms would take over their weaker rivals. It was also enormously wasteful as miles of railway were laid on which a locomotive never ran. By 1914, however, Britain had a railway system which ensured that hardly anyone had to go more than 5 miles to a station. Just after the First World War there were only 4 railway companies left and these were already beginning to receive subsidies (with still hardly a car in sight). By the end of the Second World War these firms were bust and the Old Labour Government decided to put their shareholders out of their misery. Not only did they nationalise the railways in 1948 but paid handsome compensation in the hope that the shareholders would go and "patriotically" invest in newer, more profitable enterprises like Ford and General Motors which were just building new factories at Dagenham and Luton.

And so for almost half a century we had British Rail. At first the state financed its massive losses out of tax revenue but with the British economy performing worse than any other major European state this became unbearable, especially as motor travel became more extensive. This led to the first major programme of rationalisation

known as the Beeching cuts in 1961.

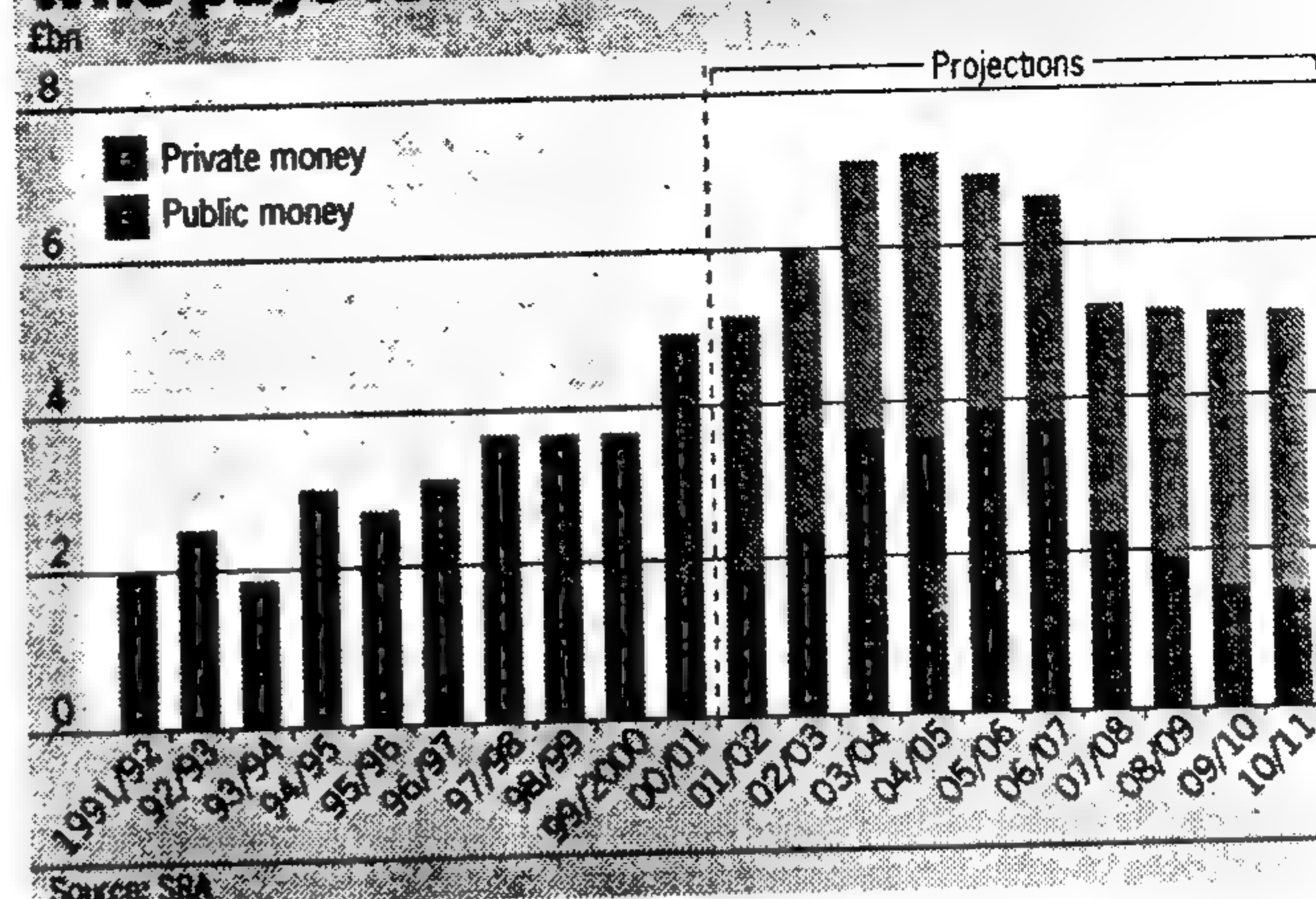
It was hoped that these would be sufficient to fund new investment (it also coincided with the move from steam to diesel at the start of the 1960s). In fact the network was not cut as much as Beeching suggested (for the obvious reason that it was also a public service which provided cheap transport for some workers) and the problems of underinvestment and falling revenues continued. Further modernisation programmes followed without ever being given enough investment. For example, whilst the

French state invested £840 millions on the TGV programme in the early 1980s the British ruling class boasted they could do the same for £40 millions using "tilting trains". But £40 millions down the drain (when, almost inevitably, the tilting trains did not work once they had people in them) was no substitute for a modern service. Thus when the Tory government was in full privatisation cry the idea of getting rid of one of the greatest burdens on the Treasury was too good to miss.

## Railway Privatisation

It is encouraging to see how often the bourgeoisie is incapable of learning the lessons of its own history. One and a half century's evolution had given the British an integrated railway system which, given the lack of investment over half a century, was a miracle of safety and shoddy efficiency. But in 1996 the Major government decided to privatise it not according to the logistics of how a railway system might operate but according to how many share auctions they could create. Thus the privatisation was devised by accountants and took the form of splitting British Rail into about 100 different segments. Some parts actually remained with the state such as the British Railways Property

## Who pays for rail investment?



Board (the aim being for it to sell itself off to the highest bidder at the most opportune moment). The major split though was between the Train Operating Companies (TOC's) and the new organisation which was supposed to guarantee the stability of the network. Railtrack was to operate and maintain the tracks, signalling and station facilities.



Lynchpin of the system though it was, Railtrack was a liability as far the government were concerned. Thus when it came to flotation it was deliberately undervalued at £1.8 billions, about a quarter of its real worth. The investment sharks followed in. Railtrack shares were floated at £3.60 and soon soared to £18 each. The assumption of these speculators was that the state would guarantee to keep Railtrack rolling whatever financial condition it was in. It was in their view "a licence to print money".

And until October 7<sup>th</sup> they were right. Over five years the state pumped a further £16 billions in subsidies into Railtrack (more than they would have given to the entire network in the past and equivalent to a staggering two thirds of its revenue). Railtrack's debts had mounted to £3.3 billions by this year and yet over the five years the shareholders had received over £700 millions in dividends. This would not have worried the New Labour Government had Railtrack or even any of the post-privatisation companies been working well. But as every Rail traveller knows, the system is less effective than British Rail was, with cancelled trains on every service and late running is now normal. Competition was supposed to make the railways more efficient but it has only made the bureaucracy increase since the TOC's and Railtrack spend most of their energy documenting who is to blame for a delay (they pay each other about £30 a minute). As one Inter-City Guard told *The Guardian*

*...they spend all their time writing each other cheques instead of running a fucking railway.*

G29.10.01

### Disasters

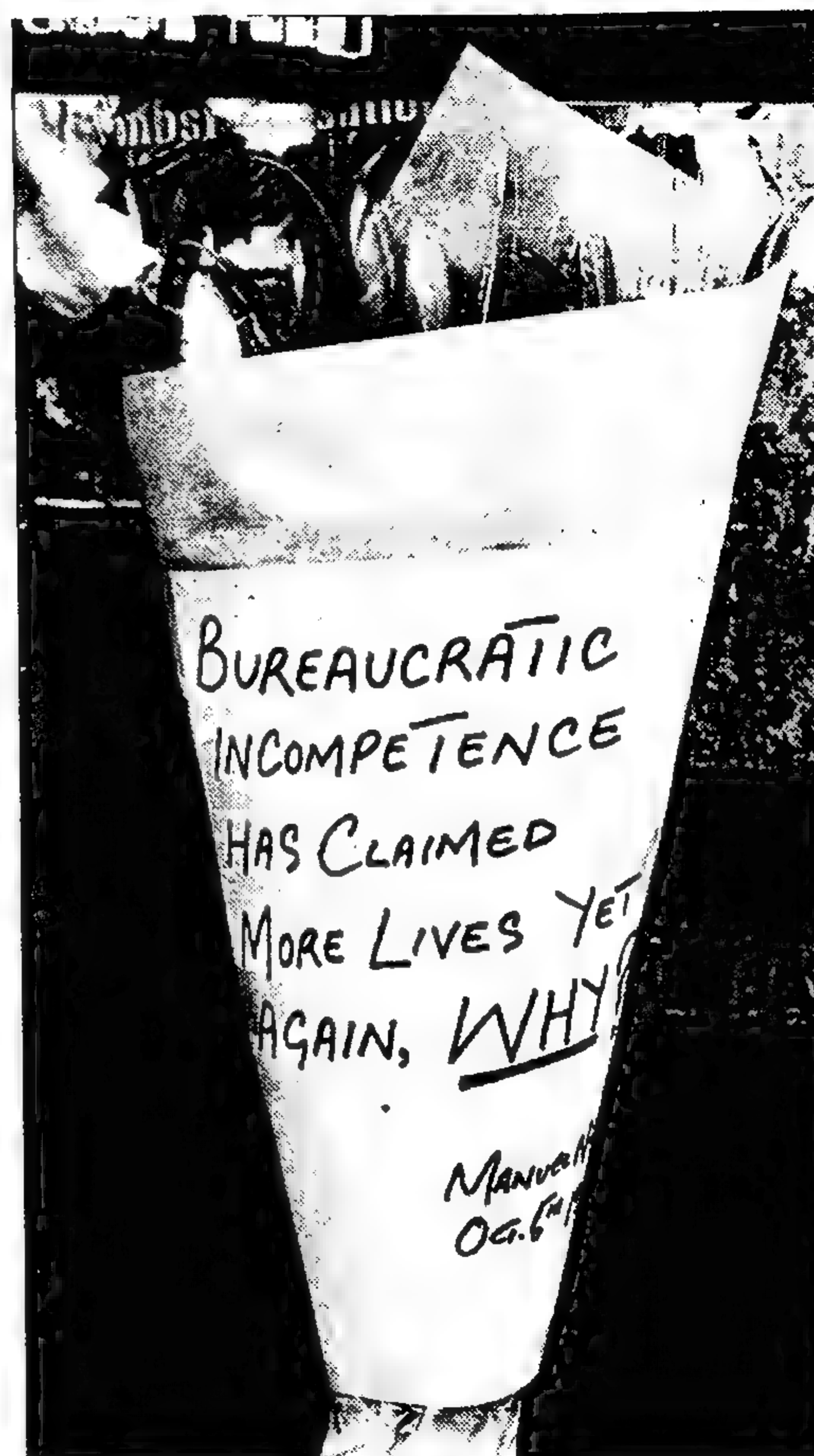
The shit first hit the fan for the privatised system on October 5<sup>th</sup> 1999 when a local train, driven by an inexperienced driver (many of the older ones were made redundant when privatisation occurred) ran into an express bound for Paddington Station. The inexperienced train driver had missed a signal which had been passed at least a dozen times before by other drivers. This is not surprising since the shortage of train drivers now means that 14-15 hour shifts are normal and some even work 18 hours. Lorry drivers are prevented by law

from doing more than 10 hours. Further since about 80% of BR's safety officers were sacked by the new TOC's there are fewer people to ensure that errors aren't repeated. What we were left with was a form of railway Russian roulette. Eventually this ended in the tragic immolation of seventy passengers, mostly on the express train, outside Paddington. Eleven years earlier an inquiry into the Clapham train disaster had recommended the installation of automatic train protection (ATP) which prevents human error at signals. But with the government unwilling to invest and the privatised companies only interested in profit margins ATP has never been adopted.

Even if it had there would have been an argument between Railtrack and the 36 TOC's about whose responsibility it was to install it. Railtrack basically doesn't directly install anything. It sacked most of its workforce when it was formed in order to artificially claim that it had "increased productivity". At the Hatfield disaster this year in which four people died it was revealed that responsibility for the track had been contracted out to the construction firm, Balfour Beatty. They in turn had sub-contracted track repairs to another smaller firm. The Hatfield disaster was the final straw for the government.

Not only was the full incompetence of Railtrack revealed by this accident but it has made no progress in improving the condition of the track since. Corbett, its managing director, an accountant who knew nothing about rail operations, may have apologetically resigned last summer but his replacement, Robinson, was little better. With hundreds of speed restrictions still in place and increasing in number (nearly 700 around the country), with evidence that a quarter of all new switches and crossings were suffering from gauge corner cracking (which was the cause of the Hatfield disaster), Railtrack

faced an operating deficit of £700 million by the year end, and yet they offered another dividend of £88 millions to shareholders at the beginning of September! This money was to come directly from government subsidies. At this point the transport secretary Stephen Byers refused to hand over any further funding. The elaborate charade that Railtrack was a going concern came to an end and the company was put into receivership. Byers' credentials as a man of the people however did not last a week. As soon as it was announced that share trading was suspended the shareholders launched a campaign for "compensation". City law firms, like the appropriately named Class Law Solicitors, began to scent money and started advising the disgruntled shareholders. All kinds of bleeding heart stories were run in the press. The weakness of the shareholders' case can be illustrated by the fact that they were reduced to arguing that the bankruptcy of Railtrack would cut the wages of those workers who had accepted some of their last pay rise in shares instead of real money! In reality about a quarter of Railtrack's shares are held by





powerful investors like Fidelity Investments, Deutsche Asset Managements, Invesco/Perpetual and other names that mean nothing to anyone but the government. It was this lot that Byers had to accommodate. He allowed Railtrack to keep £370 million it had from property sales and he deemed that the Channel Tunnel link was a Railtrack asset (worth another £400 millions). This meant that the shareholders will get some compensation (but not the £3.60 a share they demand). Byers' plans for the future of Railtrack are just the same as the old system except that the company cannot give dividends to shareholders. This might please some rail passengers, since it means that investment will stay in the railways, but it won't make the trains run on time and it won't improve safety.

The reason why Byers caved in on this is that the Government depends on these very same investment funds for its beloved Private Finance Initiative and its Public Private Partnerships. It hopes to get private investors to put money into the other ailing services in Britain from the London Underground to the health and education systems. Since May 1997 400 PFI deals have been signed and there are more in the pipeline. 25% of all new hospitals will be built and 450 schools refurbished by PPPs. The Government also has its eye on turning housing benefit into a PPP. Byers and his minders in the Treasury were told that unless Railtrack shareholders were given a "fair price" then investors like "Innisfree and Barclays Capital are just going to walk away" from any further deals with the state.

However this is probably bluff. Capitalist speculators love PFIs because they get a contract (something Railtrack shareholders did not have) and guaranteed state support. In the midst of a financial recession, as David Walker asked in *The Guardian* (15.10.01)

*where else do financiers get such good returns as in "partnership"?*

### Privatisation and Nationalisation

**T**he losers, as always will be the working class, both as consumers and wage slaves. PFIs and PPPs are simply Railtrack and the rest of the privatised rail

network writ large. Contracts will be drawn up demanding productivity increases (i.e. job cuts) and services will be worse.

Some on the Left have called for renationalisation of the whole rail network as if this was some panacea but the fact is that the state cannot afford the finance that the railways are demanding without it entering into a black hole in the national accounts, and as these are what international investors look at it would mean a drain of revenue from the country. Therefore the railways, whatever the structure will have to be run on the cheap. And whatever the structure it will be a capitalist structure. The problems of viability extend also to the TOC's. Two have already issued profits warnings, Arriva has had to cancel 1000 trains this year due to driver shortages and there were 2 million fewer trains journeys this October compared to the same period last year. Ironically, with increasingly congested roads and the fear of flying which has followed the World Trade Center atrocity a modernised new railway would be in a perfect position to benefit. But that would have required a foresight to invest 20 years ago which the British ruling class has long since conspicuously lacked.

Our Leftists who call for nationalisation have equally short perspectives (or else they are plain stupid). What they forget is that a nationalised industry is still collectively owned by the capitalist class.

The experience we had last time is that ultimately the capitalist class will get around to rationalising state industries and then redundancy and worse working conditions will follow. The idea that nationalisation is a step towards socialism is equally false. Nationalisation is only undertaken when the state is trying to maintain an industry on behalf of the whole of the capitalist class. It will be financed from the taxes which we pay (and not the capitalists since that would undermine their "propensity to invest"). Only an antiquated attachment to social democracy can equate this with the socialisation of production which will be undertaken only after the working class is in control of both the political and economic levers of society.

The whole saga of the British rail privatisation demonstrates that under

capitalism we are reaching the end of the tracks. There is no capitalist solution to the problem of underinvestment in what was one hundred years ago the very backbone of British capitalism. Only in a society in which wage labour, and production for profits rather than needs have been abolished will we be capable of running public services as public services. But here we are talking about an entirely different mode of production in which labouring for the community has replaced the alienating shift patterns of capitalism. In *State and Revolution* Lenin uses the railways as an example of how the working class have learned to operate complex systems under capitalism and this has prepared them for running a socialist society. The way things are currently going unless we get the latter soon there will be no railways to operate ...

**Jock**



# The Capitalist Pensions Fraud

*The Financial Times*, paper of the capitalist class, recently asked its readers if they had enough to retire on. They pointed out that

*The question is becoming more pressing as whole generation of workers is losing access to generous company schemes that pegged their pensions to their salaries on retirement.*

*FT Money* October 20/21 2001.

This is an old story and *The Financial Times* seems to have missed all the raids on company pension funds carried out in the 1980s and 1990s by firms which took over their rivals. The new directors then became trustees of the previous firm's pension funds and this gave them all kinds of options. Some simply used the money as their own to boost the business like Robert Maxwell with the Mirror group pension fund. But in portraying Maxwell as "the lone crook" the capitalist press were diverting attention away from the fact that the whole system is a form of theft. Other directors acting as trustees declared the old pensions schemes dead and put their new employees into a lower-paying scheme (but which did not affect the directors' pensions!) and in at least one case the trustees shared the pension fund amongst themselves as a reward for their predatory instincts!

The FT is however not too concerned with this. It is more worried about the new problem that with the collapse of the stock market companies may find that their pension promises are "increasingly unaffordable" (quoting the National Association of Pension Funds). Firms may have to either ask employees to take lower pensions or, and this is unthinkable for the FT, take capital from profits to maintain the payments. It is clear that even the FT thinks this "unlikely".

For those who have not had any choice about what pension they get the *Financial Times* next piece of advice showed just what kind of world their readers live in. On the very same page the paper recommended that people should

work towards "a nice round sum" of £80,000 a year "in order to get a decent pension"!

Getting a half decent pension though is denied to many workers because they don't earn enough in the first place. This has been fully brought home by the case of the 70,000 miners who were made redundant in the 1980s by the deliberate state policy of destroying the economic viability of coalmining.

As a reward for a working lifetime in a dangerous and dirty job the miners in this pension scheme have been told that they cannot receive all the benefits they have paid for. This is because the British Coal Staff Superannuation Scheme has a £1.1 billions surplus. Back in 1994 the Conservative government agreed a deal where half the surplus (£550 million) would be handed to the Treasury whilst the other half could be paid in the form of bonuses to the retired miners.

Now how however New Labour, new rules. The Inland Revenue has said that the 10,000 miners who worked between 25 and 40 years in the pits (some of them the same people who have been recently denied compensation for the damage to their health done in that time) cannot receive the extra £20 a week (which is what their bonus would work out at) because the payment would take them beyond the Inland Revenue rule that pension payments cannot equal more than two thirds of your old wage. This is for pensioners who receive on average £9000 a year. Hardly the stuff of an aristocracy of the working class and doesn't minimally compare with the ridiculous pensions earned by the fat cats who end up controlling the pension funds of others.

The Inland Revenue previously relaxed the rules to allow these bonus payments but under New Labour it has refused. Instead they say that the trustees of the fund should start a new scheme which could channel the bonus to the pensioners by a different route called "funded unapproved retirement benefits scheme"

(furbs). This can then be taxed again by the Inland Revenue thus creating more money for the capitalist state! Besides the state the main beneficiaries will be the lawyers and accountants who will have earned fat fees to set it up.

To Marxists it obviously comes as no surprise that capitalism first exploits us, then cheats us of the reward it deemed our labour was worthy of in the first place. Nor does it surprise us to find that an organisation like Railtrack received \$16 billions from the Treasury since it was created (from taxes mainly paid by workers' wages) and that despite sacking thousands of maintenance workers still managed to both make a £500 million loss and pay out £138 millions in bonuses to its shareholders (see article in this issue). Nor are we further surprised to learn that George W. Bush would "dip into" the US Social Security fund to pay for the "war against terrorism". Some US pensioners have unpatriotically complained about this threat to their pensions but it hasn't stopped some in the US Congress from calling for more money to be diverted from health and education spending into spending on arms. The truth is that under the present system all of us are merely expendable when we have done our years of labour for the system. It's as if, as Long John Silver said in *Treasure Island*, them that dies are the lucky ones. Pensions under capitalism? A dignified old age? Forget it.

**Jock**



# Imperialism's Settlement Lurches Forward

**A**fter a well-publicised series of crises which appeared to be bringing the Good Friday Agreement to the brink of collapse, the IRA agreed, in late October, to decommission a section of its weapons. The precise details of this decommissioning have not been revealed, but whatever the means, the general in charge of decommissioning, De Chastelain, has been satisfied that this has been done, and the problems of the last 12 months have been swept away like morning clouds from a summer sky. Trimble has been re-elected as first minister, after some skulduggery, and the settlement marches forward. For its part the British State has started to demolish some military structures and listening equipment and the reform of the Ulster Constabulary is proceeding. The cross-border bodies have been revived and it was rapidly announced that a joint initiative had been launched for marketing Ireland as a "single country." This means that the Republic's tourism minister, McDaid, and the Ulster assembly's Empey are coordinating their efforts with a £16.6m budget provided by both the Republic and the UK. Although this appears a minor matter it is the sort of thing which would previously have caused howls or rage from Unionists, and clearly shows which way the wind is blowing.

## Background to the settlement

**T**he implementation of the Good Friday Agreement was never going to be easy and the ups and downs we have been seeing in the last two months are simply part of the rough road it has to travel. However, as we stated in 1997<sup>1</sup> the agreement is one, which is in the interests of global capitalism, and the particular interests which stand in its way will, in the long term, be swept aside. Irish Nationalism and in particular Unionism will be weakened and dragged forward despite all their kicking and screaming. The key to the present resolution to the seemingly intractable Irish impasse is, as we stated in RP 11<sup>2</sup>, the changed economic situation of the North and South of Ireland and also the changed imperialist relationships.

The decline of the industrial base of Ulster, coupled with the rise of light industry in the Republic together with the fact that both are now members of the EU, has undermined the rationale for the Six Counties and the link with Britain. The enormous growth of the Republic's economy, fuelled by massive investment, most of which comes from the US, has caused the Ulster bourgeoisie to look to the South for their long-term future. The US is taking advantage of the cheap labour and low taxes to gain an entry to the EU and would like to see the whole island opened to US capital on the same terms. These developments have made Unionism superfluous.

In addition, the ending of the Cold War has reduced the military value of Ulster to NATO, and, of course, ended the Russian bloc's assistance to the IRA. For the UK, the expenditure of £3.2bn annually on military policing of Ulster is a burden it would dearly love to be rid of. There is thus a convergence of interests between the UK, the US and the Irish Republic in these matters, which, in the long term, means that their plans will prevail.

## The Latest Deal

**T**he events which led to the latest agreement, although they are not in themselves particularly important, confirm the general lines of development which we predicted in earlier texts.<sup>3</sup>

In particular they show the key importance of the US in creating the settlement by pressurising the IRA. There is clear evidence to show that this pressure has been stepped up since the attacks of September 11th which have made the US bourgeoisie less accommodating to terrorist organisations. A further point of irritation to the US has been the arrest of IRA members in Colombia. These men were allegedly training the FARC, which is the main guerilla organisation fighting the US-supported government, to make bombs. Since the US military and intelligence services are helping the Colombian state and risk being killed by the FARC they were annoyed to say the least:

*Richard Haass was preparing himself for an important meeting. It was the morning of 11 September and the straight-talking US special envoy to Dublin was about to come face to face with Gerry Adams, the leader of Sinn Fein.*

*...Haass finally snapped. "If any American, service personnel or civilian, is killed in Colombia by the technology the IRA supplied then you can fuck off," he shouted, finger jabbing towards Adams' chest...*

*Observer account, How America Held the IRA over a Barrel (see <http://www.observer.co.uk/focus/story/0,6093,582198,00.html>).*

Since tens of millions of dollars reaches the IRA from US fundraising the US is quite able to cut a vast proportion of their funding off and threatened to do so if there was no movement on decommissioning.

*The discovery of the trip [IRA to FARC] was the lever America needed to push Adams towards [the] ... announcement that the IRA had agreed to decommission some of its weapons ... A few hours later, the first of four hijacked planes flew into the World Trade Centre. Sinn Fein knew they were on an impossible wicket.*

*The Farc debacle and 11 September completely changed the landscape [the situation since the talks at Weston Park in July]. Adams' principal concern remained the maintenance of warm relations with the American administration and the preservation of millions of dollars from rich, conservative Irish-Americans.*

*...Haass talked again with Sinn Fein leaders.*

*It was made clear that America had two big sticks to wield – visas for Sinn Fein leaders and the right to fundraise in the US. These would be withdrawn unless there was decommissioning.*

*Over the following few weeks the Sinn Fein and IRA leadership travelled the length and breadth of Ireland persuading key figures to back their new policy*

*ibid*



# Book Review: *Captive State* by George Monbiot

**A searing indictment of them nasty corporations is having their wicked way with our lovely, impartial, civilised state. Boo, Hiss.**

**G**eorge Monbiot is a celebrity. Professor of Philosophy, *Guardian* columnist, frequent guest of radio and TV current affairs programmes looking for a voice of liberal reason. His book, *Captive State. The Corporate Takeover of Britain*, is a best seller. It has been hailed by that other superstar of the liberal firmament, John Pilger, as

*The most accessible, incisive and damning account I have read of the cancerous effect of market capitalism on the very premises of civilised life in Britain.*

Leaving aside the self-regarding aspects of both Pilger's and Monbiot's public personas, both provide through their work detailed and useful accounts of the operation of capitalism in Britain and abroad. Both provide what seems impassioned and humane writing. Surely it's a reflection of the

sectarianism of the Communist milieu that we attack such writers and documentary film producers rather than hailing them as fellow travellers, as does the leftist milieu? But for us, passionate outrage and a desire to publicise the more grotesque symptoms of capitalist domination is insufficient. Capitalist (especially Western capitalist) cultural domination is both subtle and sophisticated but its aim is mystification, the perpetuation of an almost impenetrable fog which blankets the real essence of capitalist relations which create horrors throughout the world. The likes of Monbiot and Pilger are not Machiavellian dissemblers deliberately seeking to blind us to reality, but their liberal agenda, their capitalist agenda, means they nevertheless carry out that function. When Pilger talks of "civilised life in Britain" it's because he actually

believes this bollocks, something that is perhaps easier to do if you are making a comfortable living from the media granting you a forum to voice your apparently radical comments.

Monbiot, like Pilger, believes that there was some golden age of the capitalist state where the guff of "rights" and "social progress", "justice" and "impartiality", had real meaning, and that we live in dangerous times whereby these supposed indicators of civilised life are under threat. "If the corporations win, liberal democracy will come to an end. The great social democratic institutions which have defended the weak against the strong — equality

## Ulster

Within a week the decommissioning deal was announced.

Recent developments also show a significant weakening of Unionism. The divisions in Unionism have got stronger and the main grouping, the Ulster Unionists, are now more divided than ever. This can be seen in members of this party voting against their own leader, Trimble, in the first vote for the assembly's first minister.

### Prospects for the working class

**F**or the working class, divisions remain as strong as ever. From

within both the Nationalist and Unionist ideologies, which still have an enormous grip over workers, the Good Friday Agreement can only be seen as a betrayal of the sacrifices their working class support have made over 20 years. This is the reason for the crisis in Unionism, and

the only reason that such a crisis is not apparent in Nationalism is that the Real IRA and the Irish National Liberation Army have been cut off from American funding.

Ulster's workers remain divided and poorly paid which, of course, is the reason that the US wishes to invest in the province and exploit them. A real improvement in their conditions can only come through common class struggle which unites all the Province's workers. If this struggle appears, we will welcome it with open arms. However, it will probably have to wait until workers elsewhere provide an example worth following before Ulster workers break with the bourgeois ideologies that have set them against one another for so long.

### Notes

- 1 See *Revolutionary Perspectives* 11, Ireland — A Settlement for Global Capital
- 2 *Op cit*
- 3 See also *Revolutionary Perspectives* 15, Stalemate in Northern Ireland.

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before the law, representative government, democratic accountability and the sovereignty of parliament — will be toppled. If on the other hand, the corporate attempt on public life is beaten back, then democracy may re-emerge the stronger for its conquest."

In *Captive State* he writes:

*The state ... has a duty towards all members of the public, and must strive to achieve a balance between their competing interests.*

Fine stuff. The only catch being that nothing in the 350 year history of the British bourgeois state, or the shorter histories of all other capitalist states, can provide support for this Panglossian view of the state's "duty". Unless, of course, we ignore reality and accept as truth what the state claims it is doing. The state is not, and never has been, neutral and impartial. It is the executive arm of the ruling class, the bourgeoisie. It was created by the bourgeoisie to cement its destruction of feudalism, and its function ever since has been to maintain the supremacy of the bourgeoisie. When we peer into the fog of mystification it has created, we find its "civilised" achievements: the law, democracy, education for all, freedom of speech, social welfare, are all chimeras which dissolve into cant. And even these forms, devoid

of content though they largely are, were not evidence of good intent, but responses to the threat of a working class whose interests were diametrically opposed to the bourgeoisie, and who had to be blinded to that fact. Their erosion is both a reflection of the crisis limiting the State's room for manoeuvre and the fact that the working class is for the moment largely passive in the West.

Monbiot writes:

*Corporations, the contraptions we invented to serve us, are overthrowing us.*

We? Us? Who the hell is he talking about?

*As they grow, their concerns become ever further removed from those of the citizens they dwarf, until the world is run not for the benefit of its six billion poor or merely comfortable inhabitants, but for that of a handful of remote billionaires.*

Until? UNTIL? Even a rudimentary knowledge of the history of the past few hundred years would leave one wondering what planet this man lives on. Corporations are not some monstrous new creation as Monbiot, Naomi Klein *et al.* would have us believe. They are merely the latest manifestation of the cannibalistic

nature of capitalist accumulation. To survive depends on accumulation, on the swallowing up of weaker capitalist enterprises so that capital costs can be lessened, competitors destroyed, and the costs of labour power, the sole creator of value, lessened. It is a logic as old as the bourgeoisie and can be clearly seen in its earliest manifestations in the late middle ages as trades and money lending and production fought viciously to create monopolies and restrictive practices, and to destroy competitors. By the 19th Century monopolies and conglomerates were beginning to dominate the globe, working hand in glove with the nation states that were their armed executive both at home and abroad.

*Captive State* proceeds to document the growth of private capital in public works and planning processes, the rise to domination of the big superstores, the patenting for profit of scientific advances and the food chain, the corporate takeover of schools and higher education, the greed of fat cats, and the corporate involvement in imperialist expansion. Leaving aside Monbiot's patronising tabloid style ("Ida Hayter's tiny bony hands slipped and shuffled over the pile of ancient papers... Ah, 'ere it is. That's the one I was on about.") militants can read Monbiot, as they can the likes of Chomsky, to inform and arm themselves, but the subtext of such books makes it clear they must arm themselves against the writers as well as those they condemn. As the British State steps in to nationalise in all but words its rail infrastructure, as states throughout the world bail out the airline corporations, as the US state hands over 150 billion pounds to Lockheed for arms manufacture, as states everywhere use the excuse of September 11th to ratchet up their repressive powers in anticipation of working class resistance to the deepening crisis, we have to be clear that the interests of corporations and the State are inseparable. Writers like Monbiot serve a useful function in trying to blind us to this fact and the fact that viciousness, greed, inhumanity, and violence are intrinsic to capitalism and always have been. By seeking to mobilise us behind some mythical, progressive, democratic capitalism, he and his like seek to disarm us.

GM

## The CWO's Basic Positions

1. *We aim to become part of the future world working class party which will guide the class struggle towards the establishment of a stateless, classless, moneyless society without exploitation, national frontiers or standing armies and in which the free development of each is the condition for the free development of all (Marx): Communism.*

2. *Such a society will need a revolutionary state for its introduction. This state will be run by workers' councils, consisting of instantly recallable delegates from every section of the working class. Their rule is called the dictatorship of the proletariat because it cannot exist without the forcible overthrow and keeping down of the capitalist class worldwide.*

3. *The first stage in this is the political organisation of class-conscious workers and their eventual union into an international*

*political party for the promotion of world revolution.*

4. *The Russian October Revolution of 1917 remains a brilliant inspiration for us. It showed that workers could overthrow the capitalist class. Only the isolation and decimation of the Russian working class destroyed their revolutionary vision of 1917. What was set up in Russia in the 1920's and after was not communism but centrally planned state capitalism. There have as yet been no communist societies anywhere in the world.*

5. *The International Bureau for the Revolutionary Party was founded by the heirs of the Italian Left who tried to fight the political degeneration of the Russian Revolution and the Comintern in the 1920's. We are continuing the task which the Russian Revolution promised but failed to achieve — the freeing of the workers of the world and the establishment of communism. Join us!*



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